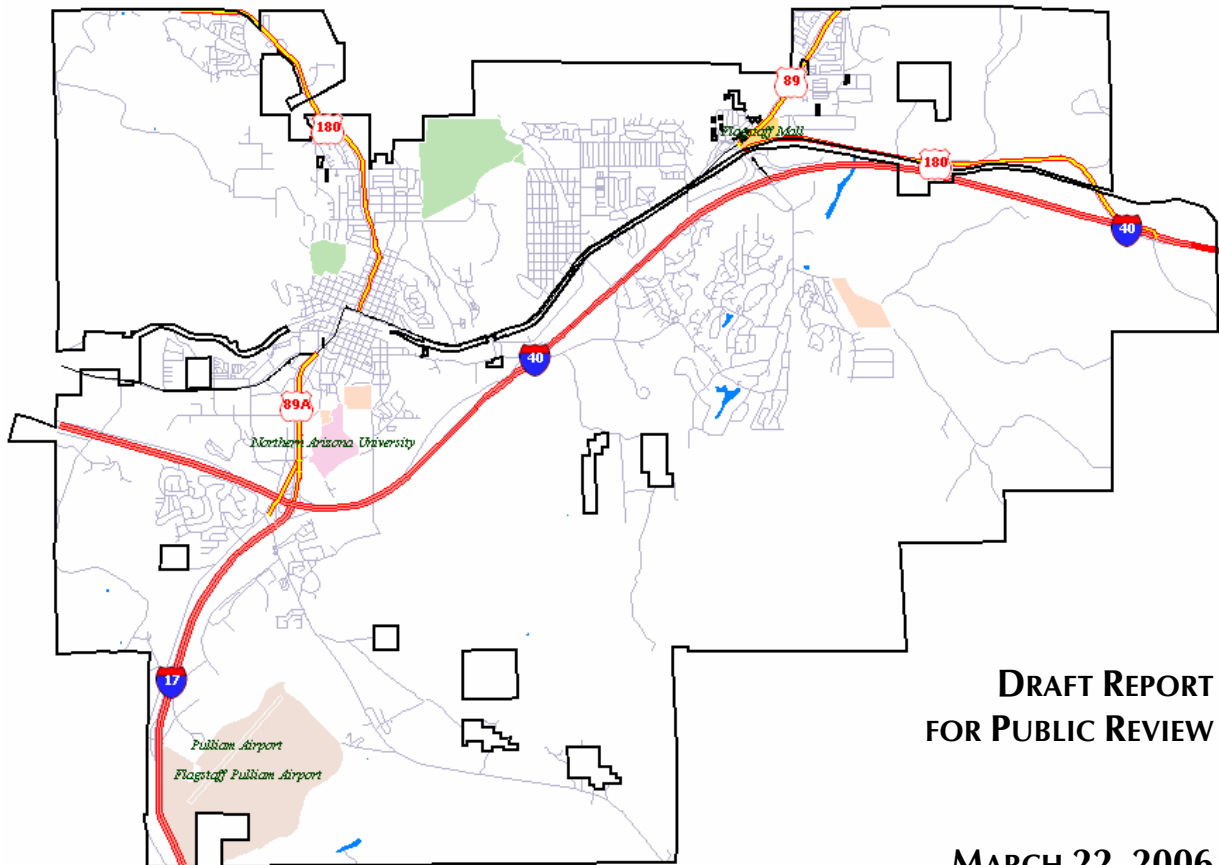




# FLAGSTAFF, ARIZONA

## ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



**DRAFT REPORT  
FOR PUBLIC REVIEW**

**MARCH 22, 2006**



**IF YOU FEEL THAT YOUR RIGHT TO FAIR HOUSING  
HAS BEEN VIOLATED**

Persons who believe they have been discriminated against should contact the Arizona Attorney General's Office at one of the following contact places:

Phoenix Office 1275 West Washington St. Phoenix, AZ 85007 602.542.5263 602.542.5002 (TDD) 877.491.5742 (toll free) 877.624.8090 (toll free TDD)	Tucson Office 400 West Congress, Suite S215 Tucson, AZ 85701 520.628.6500 520.628.6872 (TDD) 877.491.5740 (toll free) 877.881.7552 (toll free TDD)
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**DRAFT REPORT  
FOR PUBLIC REVIEW**

**MARCH 22, 2006**

**PREPARED BY  
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# EXECUTIVE SUMMARY

## ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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### OVERVIEW

As part of the Consolidated Plan for Housing and Community Development, entitlement jurisdictions are required to submit to HUD certification regarding affirmatively furthering fair housing. Doing so involves three things:

- Completing an Analysis of Impediments to Fair Housing Choice (AI);
- Taking actions to overcome the effects of impediments identified through the analysis; and
- Maintaining records reflecting the analysis and actions taken.

This document offers findings of the Analysis of Impediments to Fair Housing Choice and makes suggestions regarding actions the City of Flagstaff can consider in overcoming the effects of the identified impediments. HUD defines impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

The Arizona Fair Housing Act, passed in 1990, also prevents discrimination in Arizona's sale or rental housing markets based on race, color, religion, sex, national origin, handicap or familial status. As Arizona law is very similar to Federal law, and because the Arizona Attorney General has both the administrative capability and fiscal ability to carry out the law, HUD has designated that agency as having "substantially equivalent" status.

Therefore, when housing complaints occur, they are filed with the Arizona Attorney General's Office, which conducts all testing and enforcement activities on behalf of HUD and is reimbursed by HUD for doing so. Consequently, the Arizona Attorney General's Office should be the housing complainant's first step in filing a housing discrimination complaint.

### SOCIOECONOMIC CONTEXT

#### DEMOGRAPHICS

The racial composition of the City of Flagstaff is comprised largely of Caucasians and Native Americans, which amount to 78 and 10 percent of the population, respectively. The City does have other races present, with about 1.8 percent of its population African-

American,<sup>1</sup> 1.2 percent Asian, and over 6 percent of some other race, as seen in Table A, below.

However, this racial population is not uniformly distributed around the City. It appears that some areas have much higher concentrations of minority racial populations. For example, Census Tract 3 has more than 20 percent of the City's Native American population and 18 percent of all persons residing in Tract 3 are Native American. HUD considers areas

having a share that is more than 10 percentage points higher than the overall area's average to portray a disproportionate share. While no Census Tracts indicate a disproportionate share, when the data are inspected at the Block Group level, disproportionate share is seen in several areas of the City.

The City of Flagstaff also has a relatively large Hispanic population, comprising some 16.1 percent of the City's population, or some 8,500 people. Again, Census Tract 3 has a disproportionate share of the Hispanic population, with some 35 percent of Hispanic ethnicity in the Tract. However, when viewed from the Block Group level, the City of Flagstaff has a number of Blocks having a Hispanic population that exceeds the disproportionate share threshold of 26.1 percent, such as Block Groups 3002, 3003, 8001, and 8003, which all have concentrations in excess of 35 percent.

The Census Bureau breaks disabilities down into seven subcategories. These include people with self-care disabilities, go-outside-home disabilities, and employment disabilities, along with sensory, physical, mental, and persons with two or more disabilities. In 2000, Flagstaff had 7,320 disabled persons. Over 42 percent of these disabled persons had two or more disabilities, as seen in Table B, at right.

Furthermore, this population is not distributed evenly throughout the City. The Census Tract with the greatest concentration of disabled population is in Tract 8, with a rate of some 22.8 percent. Even more pronounced concentrations of disabled population appear in specific areas of the City, such as in Block Groups 3002, 4003, 6006, 9003, and 11001, which all have relatively high concentrations of the disabled. Housing in these geographic areas may tend to face higher demands for reasonable accommodation and accessibility.

**TABLE A**  
**POPULATION BY RACE AND ETHNICITY**  
**CITY OF FLAGSTAFF, ARIZONA - 2000 CENSUS**

<b>Race/Ethnicity</b>	<b>2000 Census</b>	<b>% Concentration</b>
Caucasian	41,214	77.9%
African American	927	1.8%
American Indian & Alaska Native	5,284	10.0%
Asian	660	1.2%
Native Hawaiian/Other Pacific Islander	65	0.1%
Some other race	3,201	6.1%
Two or more races	1,543	2.9%
<b>Total population</b>	<b>52,894</b>	<b>100.0%</b>
Hispanic Ethnicity	8,500	16.1%

**TABLE B**  
**DISABLED INDIVIDUALS**  
**BY TYPE OF DISABILITY**  
**FLAGSTAFF -2000 CENSUS**

<b>Type of Disability</b>	<b>Total</b>
Sensory	571
Physical	912
Mental	727
Self-care	16
Go-outside-home (ambulatory)	164
Employment	1,844
Two or more types	3,086
<b>Total</b>	<b>7,320</b>

<sup>1</sup> It should be noted that the terms "African-American" and "Caucasian," rather than "black" and "white," are used exclusively throughout the document to better align with language used in the City of Flagstaff's 2006 Consolidated Plan.

## ECONOMICS

The Census Bureau reported that there were 19,355 households in Flagstaff in 2000, with a median household income of \$37,146, as seen in Table C, below. Some 17.4 percent of these households had incomes below \$15,000; this exceeds the national share of 15.8 percent with income below \$15,000 as well as Arizona's average, which is only 14.9 percent.

Furthermore, the geographic distribution of these lower-income households is not uniform throughout the City. Census Tracts 11, 8, 10, and 3 have the highest number of extremely low-income households, those households with incomes less than \$10,000; there were 14.6, 27.3, 30.5, and 10.8 percent of households respectively with extremely low incomes in these tracts. Furthermore, the disparity in median household incomes is wide, with Census Tract 1 having the highest at \$57,760 and Census Tract 10 having nearly \$40,000 less, with a median household income of just \$17,892.

**TABLE C**  
**HOUSEHOLDS BY INCOME**  
**2000 CENSUS**

Income Range	Households
Less than \$15,000	3,370
\$15,000-\$24,999	2,866
\$25,000-\$34,999	2,789
\$35,000-\$49,999	3,258
\$50,000-\$74,999	3,360
\$75,000-\$99,999	1,793
\$100,000 or more	1,919
Total Households	19,355
Median HH Income	\$37,146

## HOUSING

As reported in the 2000 Census, the City of Flagstaff had some 21,396 housing units, of which 19,308 were occupied. Of those that were occupied, slightly more than 10,000 were rental units, resulting in a homeownership rate of 48.2 percent, and substantially below the national rate of 69 percent in 2000 or the state average of 68 percent.

However, there are some housing problems in Flagstaff. For example, HUD defines overcrowded households as those with more than one person per room, and severely overcrowded households as those with more than 1.5 persons per room on average. As seen in Table D, there are 1,162 renter households experiencing overcrowded conditions and another 345 homeowners with overcrowded conditions. Due to the nearly evenly-balanced tenure in the City, renters tend to have a much higher percentage of overcrowded conditions, some 11.6 percent versus 3.7 percent for homeowners.

**TABLE D**  
**INCIDENCE OF OVERCROWDING**  
**FLAGSTAFF HOUSEHOLDS IN 2000**

Subject	Renters	Homeowners
Overcrowded	561	229
Severely overcrowded	601	116
Total	1,162	345
% of Households	11.6%	3.7%

An additional problem for some householders pertains to the amount of income spent on housing, the level of cost burden. Households experiencing a cost burden spend from 30 to 50 percent of their income on housing. Severe cost burden represents households spending more than 50 percent of their income on housing.

The 2000 Census data for Flagstaff were separated into both cost burden and severe cost burden. Interestingly, renters in Flagstaff tend to spend a greater share of their income on housing than do their national counterparts. Some 23.1 percent of Flagstaff's renters

experience cost burdens and 22.7 percent experience severe cost burdens, compared to national averages of 20.8 and 19.1 percent respectively, as seen in Table E.

Conversely, homeowners in Flagstaff tend to spend a lower share of their income on housing than their national counterparts. For homeowners in Flagstaff that had a mortgage at the time of the 2000 Census, 16.1 percent faced a cost burden and 8.4 percent a severe cost burden. This compares favorably with the respective national figures, some 17.7 percent and 9.1 percent. Furthermore, homeowners without a mortgage also spend a smaller portion of their income on housing than the national average, 3.4 percent for cost burdened homeowners in Flagstaff versus 6.5 percent seen nationally, and 2.1 percent for severely cost burdened homeowners in the City versus 4.2 percent seen in the nation.

<b>TABLE E</b> <b>HOUSEHOLD COST BURDENS</b> <b>BY TENURE AND INCOME – FLAGSTAFF AND US</b>		
<b>Renters</b>	<b>Flagstaff</b>	<b>US</b>
Cost Burden	23.1%	20.8%
Severe Cost Burden	22.7%	19.1%
<b>Homeowners with Mortgage</b>		
Cost Burden	16.1%	17.7%
Severe Cost Burden	8.4%	9.1%
<b>Homeowners without Mortgage</b>		
Cost Burden	3.4%	6.5%
Severe Cost Burden	2.1%	4.2%

## PUBLIC AND PRIVATE FAIR HOUSING ORGANIZATIONS

The Attorney General’s Office, Civil Rights Division’s major duty is to enforce state and federal statutes that prohibit discrimination in employment, voting, public accommodations, disability and housing by investigating and litigating civil rights complaints. In addition, the Division provides conflict resolution services and mediation programs statewide, including many court and agency programs.

The Division not only is responsive to complaints it receives, but actively addresses discriminatory activity by providing awareness education. It also conducts surveys and inquiries in efforts to eliminate discrimination and publishes reports to highlight civil rights issues in the State. The Attorney General has a part-time local Flagstaff office that accepts only walk-in traffic for inquiry as to employment cases, not civil or housing complaints.

The Department of Housing and Urban Development (HUD) oversees, administers, and enforces fair housing law across the nation. The Office of Fair Housing and Equal Opportunity (FHEO) of HUD is responsible for administration of fair housing programs and for processing fair housing complaints. The Civil Rights Division of the U.S. Department of Justice is responsible for litigating on behalf of HUD in select cases of fair housing violations. The HUD Regional Office for Region IX in San Francisco, California oversees housing, community development, and fair housing enforcement in Arizona.

The SW Fair Housing Council, located in Tucson, is the only FHIP entity that periodically provides fair housing outreach and education in Flagstaff, better informing housing consumers of their rights and how to enforce them, as well as advising housing providers of the nuances of fair housing law.

Legal Aid/DNA-People’s Legal Services, Inc. is a nonprofit law firm that provides free legal services in civil matters to qualified low-income residents on and near the Navajo Nation.

Eligibility is based on federal poverty guidelines. Because of demand and limited resources DNA must set priorities for case acceptance.

The Arizona Fair Housing Center (AFHC) is a private, independent, 501 C (3), non-profit fair housing agency. AFHC was originally incorporated in 1987 and began staffed operations in October of 1989 as the Metropolitan Phoenix Fair Housing Center, the first fair housing agency in the State of Arizona. In 1994 the agency changed its name from the Metropolitan Phoenix Fair Housing Center to the Arizona Fair Housing Center. While the agency intends to provide services in central and northern Arizona, its presence in Flagstaff is currently somewhat limited.

The City of Flagstaff does not have any locally based fair housing organization open to the general public through which citizens may pursue fair housing concerns.

## **COMPLAINT AND COMPLIANCE REVIEW**

The Arizona Attorney General, as the designated substantially equivalent agency, is charged with carrying out the investigative and enforcement functions of both federal and state fair housing law. In special cases where public or federally assisted housing is involved, HUD may elect to conduct investigation and enforcement activities itself. In either case, HUD and the Arizona Attorney General track housing complaints.

HUD complaint data over the 1999 through 2005 fiscal years was tabulated. Over this period, HUD reported just 14 complaints occurring in Flagstaff, encompassing 16 bases. A basis refers to the protected class that was the aggrieved party. Over this six-year period, there were eight complaints alleging unlawful housing practices attributed to disability, three to national origin, and two to race. This actually represents a light level of complaint activity.

While there are a number of issues occurring in the housing marketplace, most complaints appear to be coming from the rental market. Of those arising from the rental market, most issues relate to discriminatory terms or discriminatory refusal to rent. Both coercion and refusal to make reasonable accommodation are also reported.

On Feb. 7, 2006, the Arizona Attorney General's Office announced the filing of a fair housing lawsuit against the owner of a mobile home park in Flagstaff who allegedly refused to lease space to a couple because of their national origin. The lawsuit centers on refusing to rent to an individual and requiring different terms and conditions of rental. This litigation is ongoing.

During late January and early February of 2006, 42 persons were selected to be contacted for a series of fair housing interviews. The goal of the interview process was to contact people having expert knowledge about housing or housing-related services and assess their knowledge of fair housing compliance, collect their thoughts on perceived

impediments to fair housing choice, and solicit their feelings of other barriers to and constraints on fair housing in the City of Flagstaff.

A broad array of community stakeholders were contacted, from Realtors, to lenders, homebuilders, and housing program managers. Several key issues were uncovered:

- A substantive portion of the expert, or stakeholder, community does not have a good feel for fair housing law. Individuals were unable to discriminate between those protected under fair housing law and how the operation of the Landlord/Tenant Law operates in Arizona. The average citizen is likely to have a much lower understanding of these legal issues. Occasionally, respondents addressed abusive circumstances of landlord/tenant law.
- Time and again, respondents cited affordability as the key fair housing issue. However, affordability and availability of affordable housing are not fair housing issues, as long as choice is not constrained due to the status of the protected class. Hence, some misunderstanding of fair housing law exists within the expert community.
- While many indicated that the laws served a useful purpose, about twenty-five percent indicated that they were difficult to work with, and half indicated that they had no formal exposure to fair housing. This represents another reason that knowledge on the part of the general public is likely limited.
- When respondents were asked where they might refer someone wishing to pursue a housing complaint, only one quarter indicated the Attorney General. There were 26 different responses, with 17 having only one citation. This indicates that the referral system is fragmented, thereby limiting adequate access to the fair housing system.
- When queried, general sentiment of the respondents favored increasing education and outreach, particularly for those who currently lack access to any fair housing training system in their current profession. This also implies additional benefits if the education and outreach would be able to reach the general public and affected protected classes.
- Interestingly, sentiment of respondents did favor increasing fair housing testing. However, care must be taken as viewpoints can be somewhat polarized in this particular arena, as complaint based testing is usually favored, random testing is much less favored, and newer developments in the testing field, such as audit tests of new construction or systemic tests of actions heard of but not complained about, are only now reaching the community.

Home Mortgage Disclosure Act (HMDA) data for the previous six years was collected for the City of Flagstaff. From 1999 through 2004, there were nearly 38,000 home loan applications. However, fewer than half were for home purchases, just 15,174 and of these, 12,033 were for owner occupied units. Between those owner occupied loan applications originated or denied, the six-year history had an average denial rate of some 21 percent. Furthermore, the denial rates have been declining over time, falling sharply from over 31 percent in 1999 to just under 14 percent by 2004, a very positive trend.

Unfortunately, Native Americans, Hispanics and African-Americans have denial rates of 62, 33.5, and 36.8 percent respectively over the six-year period. Even after correcting for level

of income, Native American and Hispanic households with incomes over \$75,000 tend to have much higher denial rates, as seen in Table F.

**TABLE F**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIAL RATES ON HOME LOAN APPLICATIONS BY SELECTED INCOME CATEGORIES AND BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Race	Data Missing	Less than \$15,000	\$15,000-\$30,000	\$30,000-\$45,000	\$45,000-\$60,000	\$60,000-\$75,000	More than \$75,000	Total
American Indian/Alaskan Native	40.0%	100.0%	76.9%	66.3%	55.2%	33.3%	28.1%	62.1%
Asian or Pacific Islander	22.2%	.	42.9%	7.7%	18.8%	0.0%	8.7%	13.6%
African-American	100.0%	.	66.7%	30.8%	25.0%	10.0%	43.8%	36.8%
Hispanic race	18.2%	75.0%	48.4%	34.1%	20.9%	31.0%	17.2%	33.5%
Caucasian	19.3%	56.4%	34.8%	21.3%	11.8%	10.5%	7.0%	15.2%
Other	66.7%	100.0%	16.7%	60.0%	22.2%	40.0%	18.2%	36.0%
Total All Lenders	21.3%	72.7%	46.1%	27.5%	15.8%	12.6%	9.2%	21.0%
Hispanic Ethnicity	100.0%	100.0%	53.8%	16.7%	17.6%	5.3%	.	16.7%

## IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING CHOICE

Impediments to fair housing choice have been identified in the City of Flagstaff. The following represents a list of those key impediments.

1. Violations of fair housing law have occurred in Flagstaff over the last several years. While chiefly discriminatory actions have been alleged in the rental market, the protected classes seeing most of the discrimination appear to be the disabled and those of foreign national origin.
2. High denial rates associated with home purchase applicants of Native American and Hispanic descent are a concern, even after being corrected for household income. While knowledge and understanding of the credit markets may play a role, these populations need to have better exposure to the nuances of the credit markets.
3. There is a lack of understanding of fair housing law in the key stakeholder community. Consequently, the understanding that the general public has is likely to be less.
4. There is substantive confusion about the concept of affirmatively furthering fair housing, fair housing choice, and the inability of persons of lower income to choose housing in the City of Flagstaff. Further, members of the community are confused about the nuances between landlord/tenant law and fair housing law, which may lead to unwitting or deliberate abuse of landlord/tenant law.
5. The lack of understanding of fair housing law coupled with an ineffective referral system indicates that access to the fair housing system is constrained.
6. Disproportionate shares, or high concentration of racial and ethnic minorities, those with disabilities, and low-income households seen in the City is not in the spirit of promoting inclusive opportunities for housing occupancy.

## ACTIONS THE CITY MAY CONSIDER TO OVERCOME IMPEDIMENTS

The City of Flagstaff is committed to affirmatively furthering fair housing and creating an environment in which its citizens can find safe, affordable, and healthy housing.

Furthermore, there are several actions the City will consider in overcoming the impediments to fair housing choice identified in this analysis. These are:

1. Because a solid and well-grounded understanding of fair housing is key to being able to responsibly affirmatively further fair housing, the City of Flagstaff will enhance its outreach and education efforts. Several types of activities will be involved.
  - a. To aid in the outreach and education effort, the City will work to strengthen the overall housing provider network as well as enhance partnerships with those entities that already conduct fair housing training within their respective industries, such as Realtors, lenders, and property management associations, and attempt to broaden access to these systems for other members of the community.
  - b. Particular efforts will first be devoted to reaching those portions of the housing provider system that do not currently have access to fair housing training.
  - c. Following this step, additional efforts will be designed to reach members of the community that have not had access to the fair housing system in the past.
2. The City will engage minority populations to better enhance understanding of the credit markets. This will be done through enhanced first-time homebuyer classes, prequalification workshops, and related outreach and education.
3. The City will design a formalized process for fair housing complaint referral and distribute and advocate for its acceptance throughout the community. This will be first introduced to community stakeholders, and once accepted, distributed throughout the community.
4. The City will incorporate fair housing planning as a more formalized item in the Consolidated Plan, setting aside time for fair housing dialogue during the public review and input process.
  - a. One of the key issues in this regard is to educate the City's stakeholders and the public about fair housing and how it is different from a lack of available affordable housing.
  - b. A second pertinent issue is to enhance both housing providers' and the public's understanding of the nuances between landlord/tenant law and fair housing law. This may be done with various outreach and education activities, including the exposure attained during the Consolidated Planning process.
5. The City may wish to entertain the notion of making a policy statement related to fair housing testing, and the efficacy of complaint based, random, audit, and systemic testing approaches.
6. The City should review its policies relating to the provision of affordable housing and renew its efforts to more broadly promote racially and ethnically inclusive housing occupancy patterns throughout the community.
7. The City should consider making a formalized request to the Attorney General's office for expanding the local part-time AG office to include fair housing complaint intake and processing.

# SECTION I. INTRODUCTION

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## BACKGROUND

The Federal Fair Housing Act of 1968 made it illegal to discriminate in the area of housing because of a person's race, color, religion, or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Familial status includes parents or legal guardians of minors under the age of 18. Disability covers physical and mental disabilities as well as people with AIDS or alcoholism.

The Arizona Fair Housing Act, passed in 1990, also was created in order to prevent discrimination in Arizona's sale or rental housing markets based on race, color, religion, sex, national origin, handicap or familial status. As Arizona law is very similar to Federal law, and because the Arizona Attorney General has both the administrative capability and fiscal ability to carry out the law, HUD has designated that agency as having "substantially equivalent" status. Consequently, when housing complaints occur, they are filed with the Arizona Attorney General's Office, which conducts all testing and enforcement activities on behalf of HUD and is reimbursed by HUD for doing so. As well, the Fair Housing Act amends the Arizona Landlord and Tenant Act to bring the Act into compliance with Arizona housing law.

## OVERVIEW

Provisions to affirmatively further fair housing are long-standing components of HUD's housing and community development programs. These provisions flow from Section 808(e)(5) of the Federal Fair Housing Act, which requires the Secretary of HUD to administer HUD's housing and urban development programs in a manner which affirmatively furthers fair housing.

In 1994, HUD published a rule consolidating four of its housing and community development programs into a single plan called the Consolidated Plan for Housing and Community Development. The consolidated programs are the Community Development Block Grant program (CDBG), HOME Investment Partnership Program (HOME), the American Dream Downpayment Initiative (ADDI), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA).

As part of the Consolidated Planning process, and as a requirement for receiving HUD formula grant funding, the City of Flagstaff is required to certify that it is affirmatively furthering fair housing, which requires the City to undertake fair housing planning through:

- Completing an Analysis of Impediments to Fair Housing Choice (AI);

- Taking actions to overcome the effects of any impediments identified through the analysis; and
- Maintaining records reflecting the analysis and actions taken.

HUD interprets these broad objectives to mean:

- Analyzing and eliminating housing discrimination in the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.<sup>2</sup>

HUD defines impediments to fair housing choice in terms of their applicability to Federal law, such as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

The purpose of this document, therefore, is to take the first steps in terms of affirmatively furthering fair housing, conduct an Analysis of Impediments to Fair Housing Choice, and, consequent to that, present commitments that the City of Flagstaff may consider in overcoming any prospective impediments.

## FUNDING OF STUDY

This study was funded by the City of Flagstaff. The report was prepared by Western Economic Services, LLC, a Portland, Ore., consulting organization that specializes in conducting analysis and research in support of housing and community development planning.

## RESEARCH METHODOLOGY

This Analysis of Impediments represents a thorough examination of a variety of sources related to housing and protected classes. It involves secondary research, which entails the review of existing data and studies, and primary research, which is the collection and analysis of raw data.

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<sup>2</sup> *Fair Housing Planning Guide*. U.S. Department of Housing and Urban Development. March 1996, pg.1-3.

## ***SECONDARY RESEARCH***

The 2000 Census was used to assess a variety of demographic, economic, and housing-related issues, such as the racial and ethnic make-up of the population, disability status, the geographic distribution of lower-income households, poverty, housing conditions, and the share of household income that is spent on housing.

Housing discrimination complaint records for Flagstaff in federal fiscal years 1999 through 2005, released by HUD, were tabulated and analyzed, as well as data from the Arizona Attorney General over the years 2001 through 2006.

Home loan applications occurring in Flagstaff over the 1999 through 2004 period were analyzed as well. For the AI, this involved evaluation of nearly 38,000 loan applications over the six-year period.

## ***PRIMARY RESEARCH***

One of the methods HUD recommends to gather public input about perceived impediments to fair housing is to conduct telephone interviews. The City's Housing Division prepared a list of prospective respondents for the interviews. Participants were drawn from a broad array of housing-related professions throughout Flagstaff, including representatives of key agencies and stakeholder groups throughout the City involved with the provision of housing and housing related services. Exhibit I, presented on the following page, offers the initial sample as well as referrals received during the interview process.

## Exhibit 1

### City of Flagstaff 2006 Fair Housing Interview Sample

First Name	Last Name	Affiliation
Helen	Hudgens-Ferrell	BOTHANDS, Inc.
Eric	Giddens	Northern Arizona Council of Governments (NACOG)
Coral	Evans	Weed and Seed (Sunnyside and Southside Neighborhoods)
Jesse	Dominguez	Plaza Vieja Neighborhood Association
Ron	Knights	Coconino County
Wayne	Kaplan	Arizona Multi-Housing Association
Shelly	Bethke	Rebuilding Together with Christmas in April
Gwen	Groth	Habitat for Humanity Flagstaff
Mike	Gouhin	Flagstaff Housing Authority
Kurt	Aldinger	Flagstaff Housing Corporation
John	Semas	Siler Homes Resident Council
Stephanie	Boardman	Hope Cottage
Sandy	Fagan	Southwest Fair Housing Council
Jean	Richmond-Beauman	Northern Arizona Builders Association
Kimberly	Duffield	Northern Arizona Association of Realtors
Miquelle	Scheier	Coconino County Community Services
Wenda	Meyer	Coconino County Community Services
Mark	Hunter	United Way of Northern Arizona
Lee	Phillips	Law Office of Lee Phillips PC
Diana	Lopez	Coconino County Senior Services
Emily	Chavez	Coconino County Senior Services
Nancy	Meuller	Coconino County Public Fiduciary
Jamie	Martinez	Disability Awareness Commission
Ed	Larsen	City of Flagstaff - Building and Development Services Director
Gilbert	Smaby	City of Flagstaff Zoning Enforcement Officer
Paul	Moore	Architect
Bill	Towler	Coconino County Community Development Director
David	Lembke	Coldwell Banker Broker Associate
Michael	Baird	Agave Engineering
Stefan	Nikolai	AZNorth Development President
Brian	Carlson	Majestic Development President
Alan	Strond	Sunshine Rescue Mission
Dana	Russell	Native Americans for Community Action (NACA)
Nicky	Turner	Wallock and Volk Mortgage Bankers, Branch Manager
Holly	Hulen	Aspen Gold Realty
Randy	Hartt	Salvation Army
Stephanie	Sivak	Family Resource Center
Ann	Pollock	Pollock Properties, Inc.
Mike	Hutchins	Mark Caro Property Management
Bobbie	Anderson	Flagstaff Unified School District
Kimberly	Dawson	Northern Arizona Mortgage Lenders Association
Ellen	Ishii	Flagstaff Housing Authority
Susan	Brenchley	Catholic Charities

## SECTION II. SOCIOECONOMIC CONTEXT

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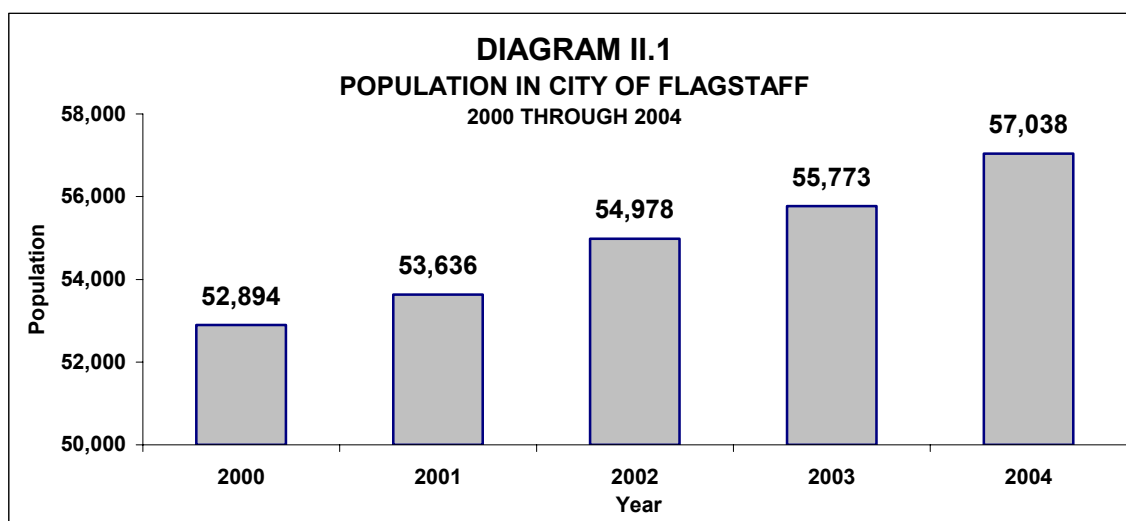
### INTRODUCTION

The following narrative provides general background information from the 2000 Decennial Census. A broad range of socioeconomic characteristics were evaluated, including population, race and ethnicity, disability, household income, poverty, and housing statistics. These data provide context to Flagstaff's housing market and choices that have been made within that market.

### CITY OF FLAGSTAFF DEMOGRAPHICS

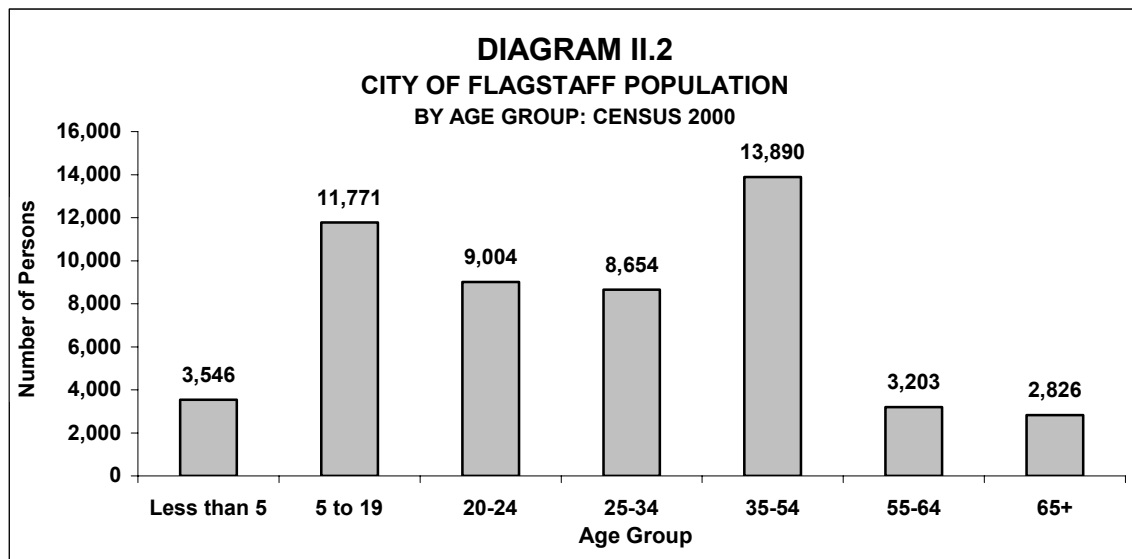
#### POPULATION AND AGE COHORTS

The City of Flagstaff, located in Northern Arizona, had some 52,894 people as of the 2000 Census. Since then, the population in Flagstaff has continued to expand relatively quickly, reaching 57,038 by July 1, 2004, a total growth of about 7.8 percent since the last Decennial Census, as seen in Diagram II.1, below.



The distribution of the population, by age, indicates that there are some 15,317 people under the age of twenty, with some 3,546 aged five or younger, or about 29.0 percent and 6.7 percent, respectively. These are very close to the national averages, which were 28.6 percent and 6.8 percent for the respective age cohorts during the 2000 Decennial Census. Furthermore, in 2000, there were 3,203 people from 55 to 64 in Flagstaff and 2,826 who were 65 or older, as seen in Diagram II.2, on the following page. These cohorts represent some 6.1 percent and 5.3 percent, respectively, of the City's population. These data compare with national averages of 8.6 and 12.4 percent for the same cohorts. The City tends to have a greater share of its population in the 20 to 24 age group than does either

the State or the nation, due to the relatively larger college student population in Flagstaff, with some 17 percent of the City's population in this age group versus only 6.7 percent nationally.



The balance between males and females in Flagstaff is evenly balanced, with females having some 50.4 percent of the population, as seen in Table II.1, below.

**TABLE II.1**  
**POPULATION BY AGE AND GENDER**  
**CITY OF FLAGSTAFF BY CENSUS TRACT, 2000 CENSUS, SF1 DATA**

Census Tract	Less than 5 years	5 to 19 years	20 to 24 years	25 to 34 years	35 to 54 years	55 to 64 years	65 years and over	Total	Male	Female
1	227	973	183	387	1,322	295	302	3,689	1,833	1,856
2	185	592	447	627	1,056	255	209	3,371	1,640	1,731
3	660	1,809	704	1,196	1,697	320	355	6,741	3,428	3,313
4	411	1,379	363	747	1,687	444	385	5,416	2,644	2,772
5	314	1,049	292	646	1,064	253	174	3,792	1,888	1,904
6	336	1,040	499	675	1,676	594	380	5,200	2,529	2,671
7	214	769	289	513	1,166	217	147	3,315	1,633	1,682
8	147	529	1,026	571	457	119	149	2,998	1,582	1,416
9	217	461	530	636	723	123	99	2,789	1,383	1,406
10	268	1,109	2,299	569	224	18	8	4,495	2,097	2,398
11	448	1,645	1,922	1,353	1,927	378	382	8,055	4,014	4,041
12	116	413	447	731	886	187	235	3,015	1,544	1,471
13	3	3	3	3	5	.	.	17	10	7
14	.	.	.	.	.	.	1	1	1	.
15	.	.	.	.	.	.	.	.	.	.
Flagstaff	3,546	11,771	9,004	8,654	13,890	3,203	2,826	52,894	26,226	26,668

However, when one looks more closely at the geographic distribution of the population by age, it becomes evident that the population is not uniformly distributed by age. Census Tract 1 has the highest overall concentration of those who are older, with some 8 percent of the total population in that Census Tract over 65 years of age.<sup>3</sup> Furthermore, areas with higher concentrations of these persons from age 20 to 24 tend to be closer to the university.

<sup>3</sup> Population by age cohort and gender for the portions of all Block Groups that are within the City are presented in Appendix B, Table B.1.

## RACE AND ETHNICITY

The racial composition of the City of Flagstaff is comprised largely of Caucasians and Native Americans, which amount to 78 and 10 percent of the population, respectively. The City does have other races present, with about 1.8 percent of its population African-American,<sup>4</sup> 1.2 percent Asian, and over 6 percent of some other race, as seen in Table II.2, below.

**TABLE II.2**  
**POPULATION BY RACE AND ETHNICITY**  
**CITY OF FLAGSTAFF, ARIZONA - 2000 CENSUS**

<b>Race/Ethnicity</b>	<b>2000 Census</b>	<b>% Concentration</b>
Caucasian	41,214	77.9%
African American	927	1.8%
American Indian and Alaska Native	5,284	10.0%
Asian	660	1.2%
NH & OPI (1)	65	0.1%
Some other race	3,201	6.1%
Two or more races	1,543	2.9%
<b>Total population</b>	<b>52,894</b>	<b>100.0%</b>
Hispanic Ethnicity	8,500	16.1%

(1) 1990: Pacific Islander: Polynesian, Micronesian, Melanesian, Pacific Islander, not specified.  
2000: NH & OPI: Native Hawaiian and Other Pacific Islander

Similar to the distribution of the age cohorts, however, this racial population is not uniformly distributed around the City. It appears that some areas have much higher concentrations of minority racial populations. As seen in Table II.3, Census Tract 3 has more than 20 percent of the City's Native American population and 18 percent of all persons residing in Tract 3 are Native American.

**TABLE II.3**  
**POPULATION BY RACE AND ETHNICITY**  
**CITY OF FLAGSTAFF BY CENSUS TRACT, 2000 CENSUS, SF1 DATA**

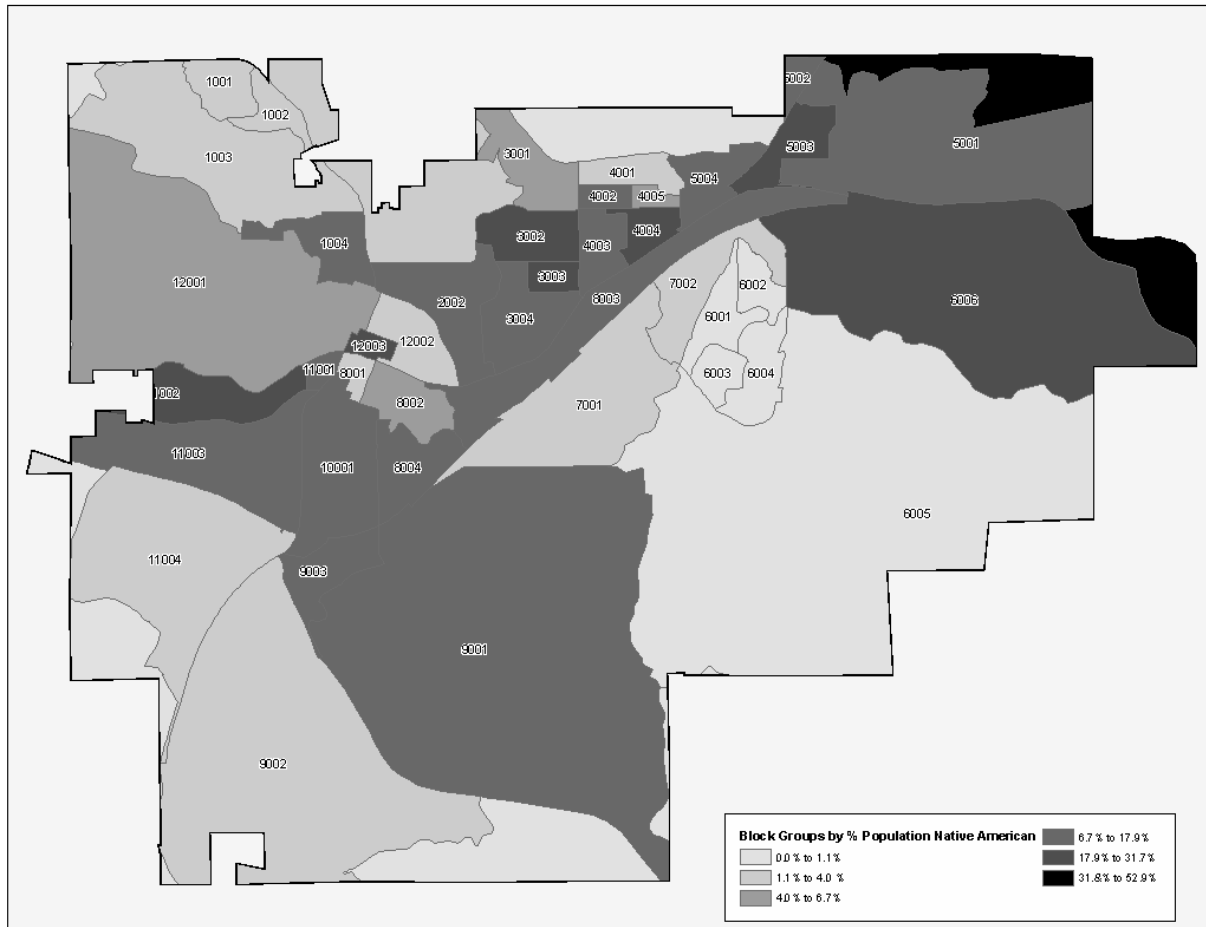
<b>Census Tract</b>	<b>Caucasian</b>	<b>African-American</b>	<b>American Indian &amp; Alaska Native</b>	<b>Asian</b>	<b>Native Hawaiian &amp; Other Pacific Islander</b>	<b>Some Other Race</b>	<b>Two or More Races</b>	<b>Total</b>	<b>Hispanic or Latino</b>
1	3,256	30	202	18	6	87	90	3,689	317
2	2,871	44	216	44	3	110	83	3,371	354
3	4,068	147	1,244	60	11	908	303	6,741	2,386
4	3,969	121	628	66	8	405	219	5,416	1,004
5	2,562	42	617	17	3	406	145	3,792	848
6	4,583	36	281	75	.	105	120	5,200	322
7	2,950	20	120	46	5	110	64	3,315	296
8	2,097	224	300	14	2	280	81	2,998	785
9	2,222	65	258	36	8	118	82	2,789	340
10	3,589	67	528	96	2	130	83	4,495	270
11	6,431	105	733	154	17	405	210	8,055	1,242
12	2,607	26	148	34	.	137	63	3,015	330
13	8	.	9	.	.	.	.	17	6
14	1	.	.	.	.	.	.	1	.
15	.	.	.	.	.	.	.	.	.
<b>Flagstaff</b>	<b>41,214</b>	<b>927</b>	<b>5,284</b>	<b>660</b>	<b>65</b>	<b>3,201</b>	<b>1,543</b>	<b>52,894</b>	<b>8,500</b>

HUD considers areas having a share that is more than 10 percentage points higher than the overall area's average to portray a disproportionate share. While no Census Tracts indicate

<sup>4</sup> It should be noted that the terms "African-American" and "Caucasian," rather than "black" and "white," are used exclusively throughout the document to better align with language used in the City of Flagstaff's 2006 Consolidated Plan.

a disproportionate share, when the data are inspected at the Block Group level, disproportionate share is seen in several areas of the City. Since the citywide average concentration of the Native American population is 10 percent, any particular area having more than 20 percent of its population composed of Native Americans would represent a disproportionate share. The darkest areas presented in Diagram II.3 indicate the Block Groups with a disproportionate share.<sup>5</sup>

**DIAGRAM II.3**  
**FLAGSTAFF, PERCENT NATIVE AMERICAN RACIAL CONCENTRATION BY BLOCK GROUP**  
**CENSUS 2000**

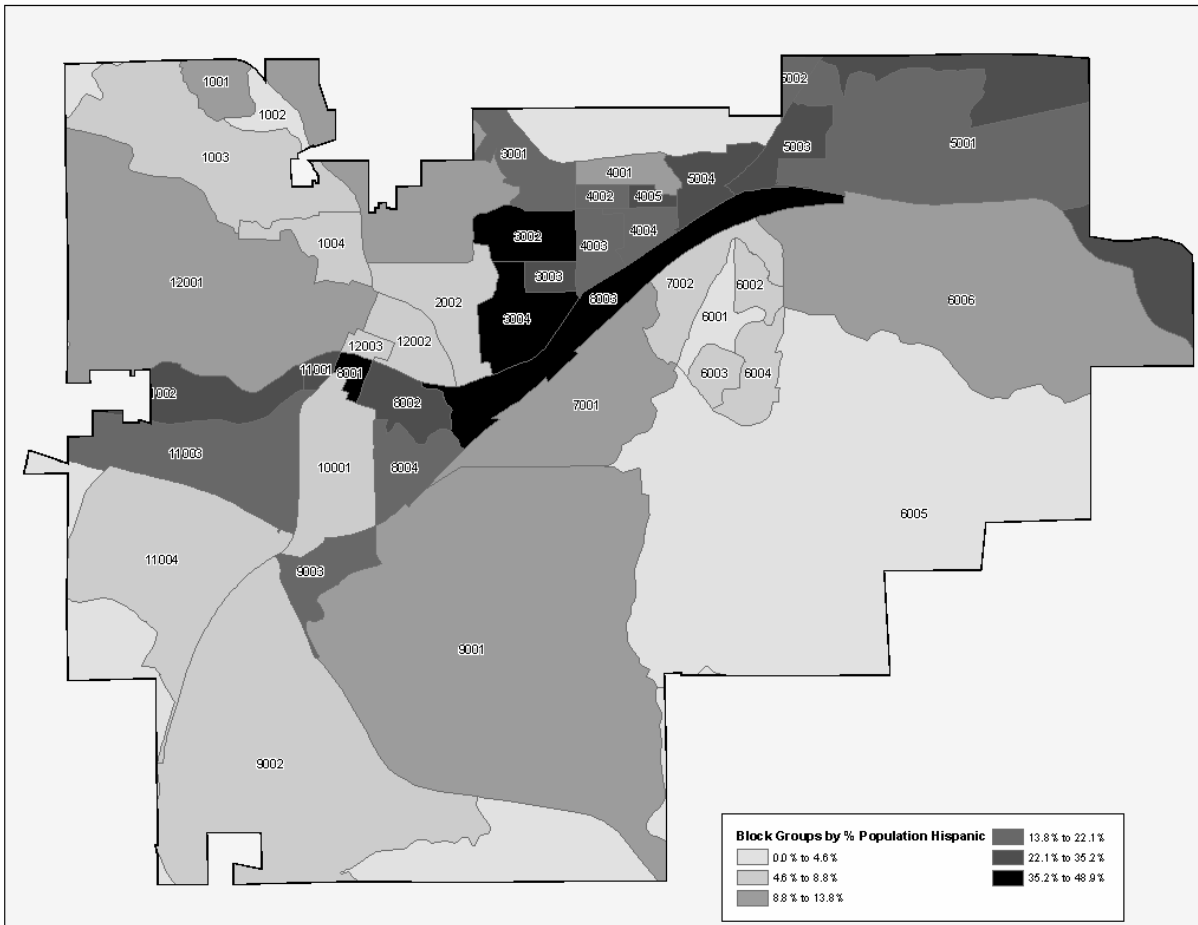


(Map prepared by the City of Flagstaff)

As noted previously in Table II.2, the City of Flagstaff has a relatively large Hispanic population, comprising some 16.1 percent of the City's population, or some 8,500 people. As presented previously in Table II.3, Census Tract 3 has a disproportionate share of the Hispanic population, with some 35 percent of Hispanic ethnicity in the Tract. However, when viewed from the Block Group level, the City of Flagstaff has a number of Blocks having a Hispanic population that exceeds the disproportionate share threshold of 26.1 percent. As seen in Diagram II.4, on the following page, Block Groups 3002, 3003, 8001, and 8003 have concentrations in excess of 35 percent.

<sup>5</sup> Tabulations of 2000 Census population data by race and ethnicity by Block Group are presented in Appendix B, Table B.2.

**FLAGSTAFF, PERCENT HISPANIC ETHNICITY CONCENTRATION BY BLOCK GROUP**  
**CENSUS 2000**



(Map prepared by City of Flagstaff)

# DISABLED

The 2000 Census defines disability with a broad range of categories, including physical, sensory, and mental disability.<sup>6</sup> People with disabilities include those with long-standing conditions, as well as those with temporary conditions lasting six months or more, which limit certain activities.

<sup>6</sup> The data on disability status were derived from answers to long-form questionnaire items 16 and 17. Item 16 was a two-part question that asked about the existence of the following long-lasting conditions: (a) blindness, deafness, or a severe vision or hearing impairment (sensory disability), and (b) a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying (physical disability). Item 16 was asked of a sample of the population five years old and over. Item 17 was a four-part question that asked if the individual had a physical, mental, or emotional condition lasting six months or more that made it difficult to perform certain activities. The four activity categories were: (a) learning, remembering, or concentrating (mental disability); (b) dressing, bathing, or getting around inside the home (self-care disability); (c) going outside the home alone to shop or visit a doctor's office (going outside the home disability); and (d) working at a job or business (employment disability). Categories 17a and 17b were asked of a sample of the population five years old and over; 17c and 17d were asked of a sample of the population 16 years old and over. For data products which use the items individually, the following terms are used: sensory disability for 16a, physical disability for 16b, mental disability for 17a, self-care disability for 17b, going outside the home disability for 17c, and employment disability for 17d. For data products which use a disability status indicator, individuals were classified as having a disability if any of the following three conditions was true: (1) they were five years old and over and had a response of "yes" to a sensory, physical, mental or self-care disability; (2) they were 16 years old and over and had a response of "yes" to going outside the home disability; or (3) they were 16 to 64 years old and had a response of "yes" to employment disability.

The Census Bureau breaks disabilities down further into seven subcategories. These include people with self-care disabilities (difficulty with activities such as bathing or dressing), go-outside-home disabilities (difficulty walking out of the home), and employment disabilities (difficulty working at a job or business), along with sensory, physical, mental, and persons with two or more disabilities. In 2000, the Census Bureau reports that Flagstaff had 7,320 disabled persons, as seen in Table II.4, below.

**TABLE II.4**  
**DISABLED INDIVIDUALS BY AGE AND TYPE OF DISABILITY**  
**CITY OF FLAGSTAFF, ARIZONA, 2000 CENSUS**

Type of Disability	5-15	16-20	21-64	65+	Total
Sensory	50	35	332	154	571
Physical	27	66	554	265	912
Mental	236	82	395	14	727
Self-care	10	.	6	.	16
Go-outside-home (ambulatory)	.	33	131	.	164
Employment	.	281	1,464	99	1,844
Two or more types	77	262	2,113	634	3,086
<b>Total</b>	<b>400</b>	<b>759</b>	<b>4,995</b>	<b>1,166</b>	<b>7,320</b>

Over 42 percent of these disabled persons had two or more disabilities, which may at times present challenges for housing providers in adequately supplying suitable housing to this community.

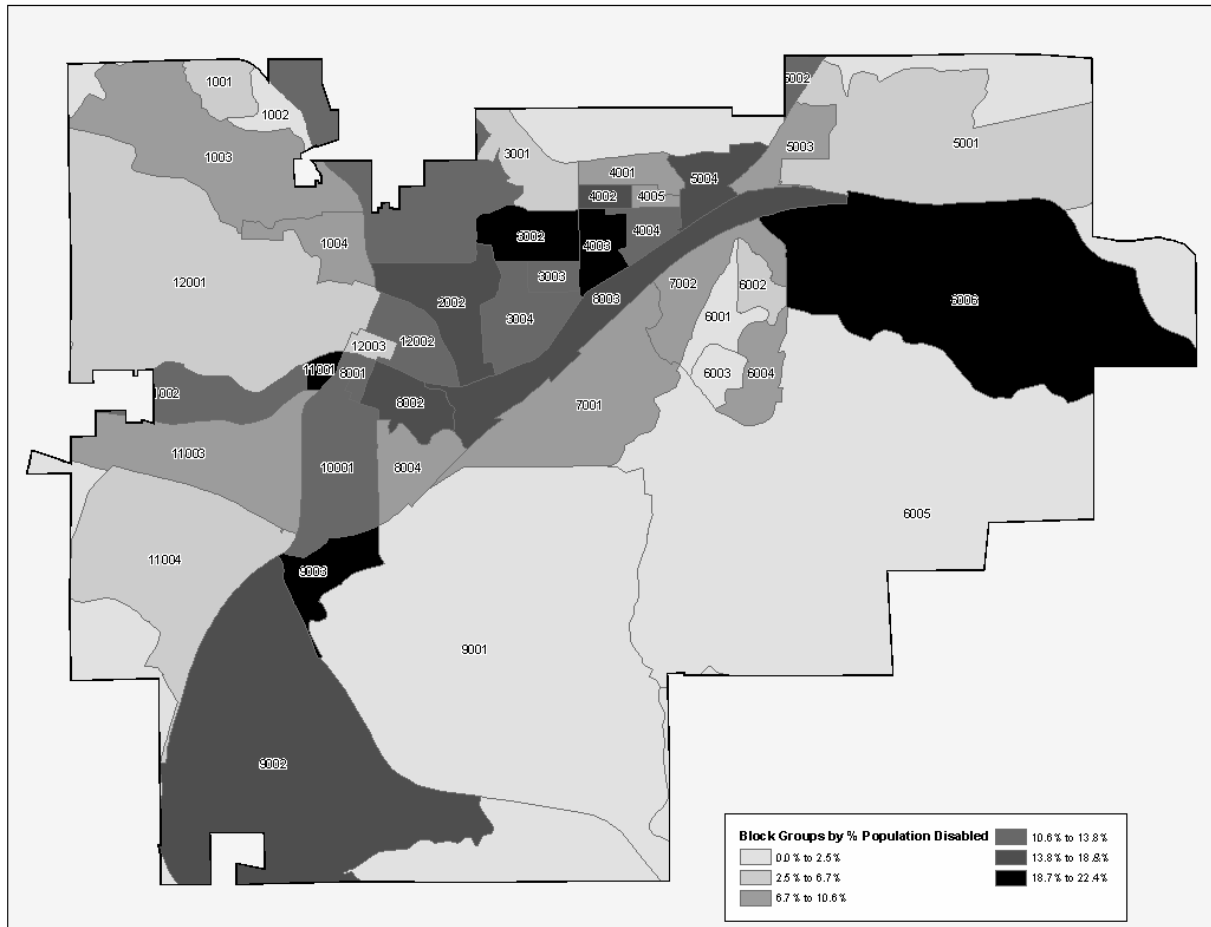
Furthermore, the disability rate, indicating the percent of non-institutionalized persons over the age of five having disabilities, demonstrates that this population is not distributed evenly throughout the City. The Census Tract with the greatest concentration of disabled population is in Tract 8, with a rate of some 22.8 percent, as presented in Table II.5, below.

**TABLE II.5**  
**DISABLED BY AGE**  
**CITY OF FLAGSTAFF BY CENSUS TRACT, 2000 CENSUS, SF3 DATA**

Census Tract	5 to 15 years	16 to 20 years	21 to 64 years	65 years and over	Total	Disability Rate
1	16	.	231	131	378	10.84
2	21	43	290	74	428	13.43
3	79	95	947	105	1,226	20.32
4	49	81	675	194	999	19.96
5	68	50	365	117	600	17.09
6	26	24	388	122	560	11.51
7	10	41	227	71	349	11.22
8	9	103	454	84	650	22.84
9	9	15	429	41	494	19.28
10	16	127	308	.	451	10.78
11	74	165	505	93	837	11.04
12	23	15	169	134	341	11.93
13	.	.	7	.	7	100.00
14	.	.	.	.	.	.
15	.	.	.	.	.	.
<b>Flagstaff</b>	<b>400</b>	<b>759</b>	<b>4,995</b>	<b>1,166</b>	<b>7,320</b>	<b>14.87</b>

When these data are viewed by Block Group, more pronounced concentrations of disabled population appear in specific areas of the City. As presented in Diagram II.5, on the following page, Blocks 3002, 4003, 6006, 9003, and 11001 all have relatively high concentrations of the disabled. Housing in these geographic areas may tend to face higher demands for reasonable accommodation and accessibility.

## AM 11.5



(Map prepared by City of Flagstaff)

# CITY OF FLAGSTAFF ECONOMICS

## HOUSEHOLD INCOME

The Census Bureau reported that there were 19,355 households in Flagstaff in 2000, with a median household income of \$37,146, as seen in Table II.6, on the following page. Some 17.4 percent of these households had incomes below \$15,000; this exceeds the national share of 15.8 percent with income below \$15,000 as well as Arizona's average, which is only 14.9 percent.

Furthermore, the geographic distribution of these lower-income households is not uniform throughout the City. As seen in Table II.7, below, Census Tracts 11, 8, 10, and 3 have the highest number of extremely low-income households, those households with incomes less than \$10,000; there were 14.6, 27.3, 30.5 and 10.8 percent of households respectively with extremely low incomes in these tracts. Furthermore, the disparity in median household incomes is widening, with Census Tract 1 having the highest at \$57,760 and Census Tract 10 having nearly \$40,000 less, with a median household income of just \$17,892.

**TABLE II.6**  
**HOUSEHOLDS BY INCOME**  
**2000 CENSUS**

Income Range	Households
Less than \$15,000	3,370
\$15,000-\$24,999	2,866
\$25,000-\$34,999	2,789
\$35,000-\$49,999	3,258
\$50,000-\$74,999	3,360
\$75,000-\$99,999	1,793
\$100,000 or more	1,919
Total Households	19,355
Median HH Income	\$37,146

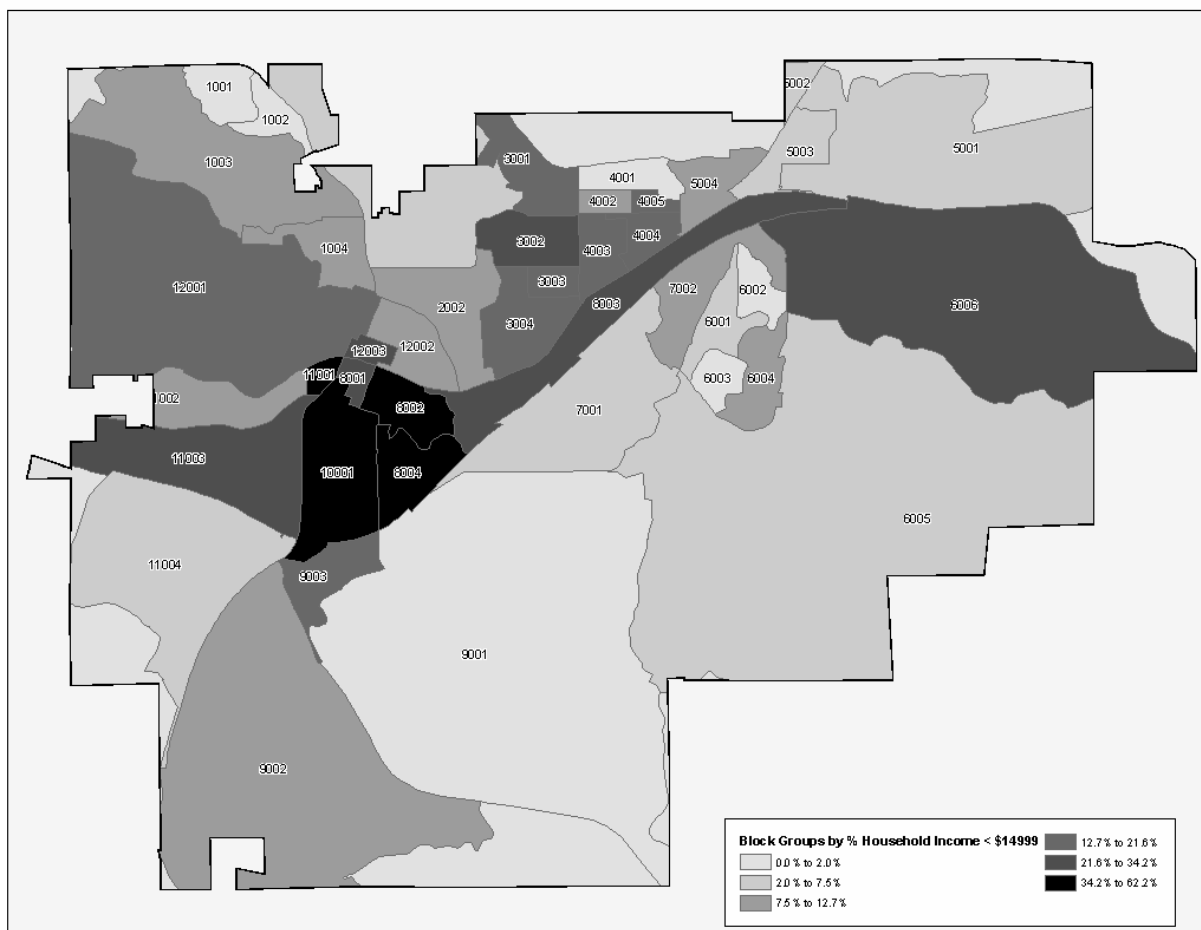
**TABLE II.7**  
**HOUSEHOLDS BY INCOME RANGE**  
**CITY OF FLAGSTAFF BY CENSUS TRACT, 2000 CENSUS, SF3 DATA**

Census Tract	Less than \$10K	\$10-\$14.99K	\$15-\$19.99K	\$20-\$24.99K	\$25-\$34.99K	\$35-\$49.99K	\$50-\$74.99K	\$75-\$99.99K	\$100-\$149.99K	\$150K or more	Total Households	Median HH Income (\$)
1	44	38	70	35	84	209	420	212	114	77	1,303	57,760
2	71	54	88	102	206	354	328	146	83	19	1,451	42,945
3	244	241	231	183	307	389	320	159	125	69	2,268	31,557
4	122	106	121	112	233	254	436	269	137	58	1,848	47,931
5	44	30	88	97	268	309	193	137	47	20	1,233	39,738
6	148	118	129	115	198	324	389	204	278	215	2,118	51,436
7	51	39	47	51	203	218	309	169	141	35	1,263	51,758
8	320	250	68	122	162	138	46	45	23	.	1,174	16,848
9	101	103	116	116	233	248	148	54	36	19	1,174	31,599
10	266	79	148	77	152	64	81	6	.	.	873	17,892
11	474	217	235	288	496	504	480	303	188	72	3,257	32,736
12	150	60	85	142	247	240	210	89	107	56	1,386	35,592
13	.	.	.	.	.	7	.	.	.	.	7	41,250
14	.	.	.	.	.	.	.	.	.	.	.	.
15	.	.	.	.	.	.	.	.	.	.	.	.
Flagstaff	2,035	1,335	1,426	1,440	2,789	3,258	3,360	1,793	1,279	640	19,355	37,146

To further illustrate the existence of areas having higher shares of low-income households, a geographic map was prepared that indicates the percent of all households, by Block Group, that have incomes below \$15,000. As seen in Diagram II.6, on the following page, the four Block Groups with the greatest concentrations all exceed 34 percent of their populations and range up to 62 percent of all households in the Block Group. Apparently, some areas of the City have a disproportionate share of low-income households.

### DIAGRAM II.6

**FLAGSTAFF, LOW INCOME CONCENTRATIONS BY BLOCK GROUP**  
**CENSUS 2000**



(Map prepared by City of Flagstaff)

## INDIVIDUALS IN POVERTY

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts monetary income earned before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Poverty is not defined for people in military barracks, institutional group quarters, or for unrelated individuals under the age of 15, such as foster children. These people are excluded from the poverty calculations.<sup>7</sup>

At the time that the 2000 Census was taken, there were some 8,751 people in poverty in the City of Flagstaff. The poverty rate in the City was considerably higher than the nation's

<sup>7</sup> Information available at <http://www.census.gov/hhes/poverty/povdef.html>.

rate of 9.7 percent. Over 2,300 of these persons in poverty are children under the age of 18, as seen in Table II.8, below.

**TABLE II.8**  
**INDIVIDUALS IN POVERTY BY AGE**  
**CITY OF FLAGSTAFF, ARIZONA, CENSUS 2000**

<b>Cohort</b>	<b>City of Flagstaff</b>
Under 5 years	732
5 years	134
6 to 11 years	722
12 to 17 years	715
18 to 64 years	6,263
65 to 74 years	140
75 years and over	45
<b>Total Persons in Poverty</b>	<b>8,751</b>
Poverty Rate	17.41

Similar to the distribution of household income, specific areas have a disproportionate share of poverty. As seen in Table II.9, below, Census Tracts 8 and 10 both exceed the citywide poverty rate by more than 20 percentage points.

**TABLE II.9**  
**INDIVIDUALS IN POVERTY BY AGE**  
**CITY OF FLAGSTAFF BY CENSUS TRACT, 2000 CENSUS, SF3 DATA**

<b>Census Tract</b>	<b>Under 5</b>	<b>5 years</b>	<b>6 to 11 years</b>	<b>12 to 17 years</b>	<b>18 to 64 years</b>	<b>65 to 74 years</b>	<b>75 years and over</b>	<b>Total</b>	<b>Poverty Rate</b>
1	24	4	30	20	120	16	.	214	5.80
2	15	7	13	14	310	7	6	372	11.11
3	263	51	202	177	768	60	6	1527	22.97
4	49	14	99	95	279	19	.	555	10.28
5	31	9	144	32	178	4	5	403	10.57
6	27	9	17	56	346	.	.	455	8.71
7	17	.	13	10	179	4	.	223	6.75
8	78	12	76	88	1112	15	16	1397	46.77
9	70	4	11	37	503	.	.	625	22.05
10	72	24	51	52	590	.	.	789	39.29
11	86	.	56	116	1450	.	12	1720	21.31
12	.	.	10	18	428	15	.	471	16.05
13	.	.	.	.	.	.	.	.	.
14	.	.	.	.	.	.	.	.	.
15	.	.	.	.	.	.	.	.	.
Flagstaff	732	134	722	715	6263	140	45	8751	17.41

## CITY OF FLAGSTAFF HOUSING

As reported in the 2000 Census, the City of Flagstaff had some 21,396 housing units, of which 19,308 were occupied, as seen in Table II.10, on the following page. Of those that were occupied, slightly more than 10,000 were rental units, resulting in a homeownership rate of 48.2 percent, and substantially below the national rate of 69 percent in 2000 or the state average of 68 percent.

The City of Flagstaff had some 2,090 vacant housing units at the time of the 2000 Decennial Census. However, of the total rental stock, just 563 units were vacant, resulting in a rental vacancy rate of 5.3 percent. Of the homeowner housing stock, some 2.1 percent were vacant. Furthermore, some 977 vacant housing units were for seasonal, recreational, or occasional use, a slightly lower rate than seen statewide.

**TABLE II.10**  
**TOTAL OCCUPIED AND VACANT HOUSING**  
**ARIZONA VS. FLAGSTAFF**  
**2000 CENSUS**

<b>Tenure</b>	<b>Arizona</b>	<b>Flagstaff</b>
Owner Occupied	1,293,556	9,304
Renter Occupied	607,771	10,002
Total Occupied	1,901,327	19,306
Homeownership Rate	68.0	48.2
<b>Vacant Housing</b>		
For rent	61,781	563
For sale only	27,775	195
Rented or sold, not occupied	12,679	68
For seasonal, recreational, or occasional use	141,965	977
For migrant workers	636	0
Other vacant	43,026	287
Total Vacant	287,862	2,090
<b>Total Housing</b>	<b>2,189,189</b>	<b>21,396</b>

## HOUSING STOCK

Flagstaff's housing stock is comprised of a variety of housing types. As of the 2000 Census, there were 9,888 single-family detached units and another 1,720 attached single-family units in Flagstaff. The City has nearly 5,750 multi-family units, those units in buildings with five or more units, as seen in Table II.11.<sup>8</sup>

**TABLE II.11**  
**CITY OF FLAGSTAFF – DECENNIAL CENSUS**  
**HOUSING UNITS BY TYPE OF UNIT**

<b>Housing Unit Type</b>	<b>2000</b>
1-unit, detached	9,888
1-unit, attached	1,720
2 units	811
3 or 4 units	1,534
5 to 9 units	2,039
10 or more units	3,708
Mobile Home/Trailer	1,702
Boat, RV, van, etc.	28
Total Units (SF3 – sample data)	21,430

## HOUSING PROBLEMS

The Decennial Census collects some data as it relates to the presence of overcrowding, the incidence of incomplete plumbing or kitchen facilities, and cost burden. Each of these is addressed below.

HUD defines overcrowded households as those with more than one person per room, and severely crowded households as those with more than 1.5 persons per room on average. As seen in Table II.12, on the following page, there are 1,162 households experiencing overcrowded conditions and another 345 homeowners with overcrowded conditions. Due to the nearly evenly-balanced tenure in the City, renters tend to have a much higher

<sup>8</sup> SF1 data represent the 100 percent sample, a census. SF3 is a one-in-six sample and may vary from SF1 data due to sampling error.

percentage of overcrowded conditions, some 11.6 percent versus 3.7 percent for homeowners.

**TABLE II.12**  
**INCIDENCE OF OVERCROWDING**  
**FLAGSTAFF HOUSEHOLDS IN 2000**

<b>Subject</b>	<b>Renters</b>	<b>Homeowners</b>
Overcrowded	561	229
Severely overcrowded	601	116
Total	1,162	345
% of Households	11.6%	3.7%

Furthermore, while severe overcrowding is low for homeowners, it is substantially higher for renters. In addition, the distribution of overcrowding is not uniform throughout the City. As seen in Table II.13, Census Tract 3 has the greatest level of overcrowding for renter households in the City, and Census Tract 11 has the highest level of severe overcrowding.

**TABLE II.13**  
**INCIDENCE OF OVERCROWDING – OCCUPIED UNITS**  
**CITY OF FLAGSTAFF BY CENSUS TRACT, 2000 CENSUS, SF3 DATA**

<b>Census Tract</b>	<b>Owner-Occupied</b>				<b>Renter-Occupied</b>				<b>Total Occupied</b>
	<b>1.00 or less</b>	<b>1.01 to 1.50</b>	<b>1.51 or more</b>	<b>Total</b>	<b>1.00 or less</b>	<b>1.01 to 1.50</b>	<b>1.51 or more</b>	<b>Total</b>	
1	1,064	14	.	1,078	209	13	5	227	1,305
2	652	10	.	662	743	30	23	796	1,458
3	698	69	50	817	1,234	148	76	1,458	2,275
4	1,227	52	12	1,291	471	45	43	559	1,850
5	860	51	12	923	251	36	28	315	1,238
6	1,262	19	.	1,281	760	79	8	847	2,128
7	789	.	6	795	417	14	32	463	1,258
8	208	14	4	226	860	31	60	951	1,177
9	436	.	.	436	768	22	.	790	1,226
10	31	.	.	31	635	48	96	779	810
11	1,217	.	22	1,239	1,724	91	208	2,023	3,262
12	539	.	10	549	805	4	22	831	1,380
13	.	.	.	.	7	.	.	7	7
14	.	.	.	.	.	.	.	.	.
15	.	.	.	.	.	.	.	.	.
Flagstaff	8,983	229	116	9,328	8,884	561	601	10,046	19,374

Cost burden refers to the percent of household income spent on housing. Renter households experiencing a cost burden spend from 30 to 50 percent of their income on housing, including the monthly rent and energy utilities. For a homeowner, these costs include principal, interest, taxes, insurance, water and sewer costs, refuse collection, as well as all energy utilities. Severe cost burden represents households spending more than 50 percent of their income on housing.

City of Flagstaff and U.S. 2000 Census data on these concepts were separated into both cost burden and severe cost burden, and are presented in Table II.14, on the following page. Interestingly, renters in Flagstaff tend to spend a greater share of their income on housing than do their national counterparts. Some 23.1 percent of Flagstaff's renters experience cost burdens and 22.7 percent experience severe cost burdens, compared to national averages of 20.8 and 19.1 percent respectively.

Conversely, homeowners in Flagstaff tend to spend a lower share of their income on housing than their national counterparts. For homeowners in Flagstaff that had a mortgage at the time of the 2000 Census, 16.1 percent faced a cost burden and 8.4 percent a severe cost burden. This compares favorably with the respective national figures, some 17.7 percent and 9.1 percent. Furthermore, homeowners without a mortgage also spend a smaller portion of their income on housing than the national average, 3.4 percent for cost burdened homeowners in Flagstaff versus 6.5 percent seen nationally, and 2.1 percent for severely cost burdened homeowners in the City versus 4.2 percent seen in the nation.

**TABLE II.14**  
**HOUSEHOLDS EXPERIENCING A COST BURDEN**  
**BY TENURE AND INCOME – FLAGSTAFF AND U.S.**

<b>Renters</b>	<b>Flagstaff</b>	<b>U.S.</b>
Cost Burden	23.1%	20.8%
Severe Cost Burden	22.7%	19.1%
<b>Homeowners with Mortgage</b>		
Cost Burden	16.1%	17.7%
Severe Cost Burden	8.4%	9.1%
<b>Homeowners without Mortgage</b>		
Cost Burden	3.4%	6.5%
Severe Cost Burden	2.1%	4.2%

For both renters and homeowners experiencing a severe cost burden, any unexpected financial setback could cause the householder to fall behind in rental or mortgage payments, thereby becoming at risk for eviction or loss of their home and, consequently, homelessness. Homeowners lacking a mortgage but still facing severe cost burdens may not face homelessness, but they may lack sufficient resources to conduct routine and periodic maintenance on their homes. By deferring maintenance, these dwelling units increasingly become at risk of falling into a state of disrepair and becoming dilapidated. In this way, both householders and housing units are at risk.

The Decennial Census also reports a small quantity of data on unsuitable housing conditions, although the information relates only to whether the housing units lack complete plumbing or kitchen facilities. These data, consistent with other data depicting housing for renters, indicate that renters tend to have more housing suitability problems than do homeowners, with 46 occupied rental units having incomplete plumbing facilities and 127 units having incomplete kitchen facilities, versus 30 and 29 for homeowners, respectively. These data are presented in Table II.15, below.

**TABLE II.15**  
**UNSUITABLE HOUSING**

<b>CITY OF FLAGSTAFF, ARIZONA, 2000 CENSUS</b>		
<b>Suitability Problem: Lacking Complete</b>	<b>Renters</b>	<b>Owners</b>
Plumbing facilities	46	30
Kitchen facilities	127	29

## SUMMARY

While the City's population is growing at a healthy pace, the geographic distribution indicates that several areas of the City have disproportionate shares of minority racial and ethnic households.

The City tends to have a relatively depressed income distribution curve, with proportionately greater numbers of lower income households. Furthermore, the City's poverty rate is nearly twice that of the nation. As is true with population, there are areas with disproportionately high concentrations of lower income households.

Flagstaff has a relatively low homeownership rate, some 48 percent versus 69 percent seen nationally in 2000. While housing is costly, cost burdens are relatively more severe for renters, who also face a higher incidence of housing problems.

Consequently, when promoting additional housing development in Flagstaff, the City may wish to further emphasize de-concentration of racial, ethnic, and low income households, as well as the distribution of the housing stock suitable for the disabled.

## SECTION III. FAIR HOUSING PROGRAMS

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The following narrative provides an enumeration of key agencies and organizations contributing to affirmatively furthering fair housing in the City of Flagstaff; it concludes with a succinct review of related housing studies.

### MAJOR AGENCIES AND ORGANIZATIONS

#### THE ARIZONA ATTORNEY GENERAL'S OFFICE, CIVIL RIGHTS DIVISION

The Attorney General's Office, Civil Rights Division's major duty is to enforce state and federal statutes that prohibit discrimination in employment, voting, public accommodations, disability and housing by investigating and litigating civil rights complaints. In addition, the Division provides conflict resolution services and mediation programs statewide, including many court and agency programs.

The Division not only is responsive to complaints it receives, but actively addresses discriminatory activity by providing education awareness. It also conducts surveys and inquiries in efforts to eliminate discrimination and publishes reports to highlight civil rights issues in the State.

The Division has both administrative and enforcement functions. Its staff is comprised of lawyers, compliance officers, program coordinators, support personnel, volunteer mediators and interns. HUD has designated the Arizona Attorney General as a substantially equivalent agency, with responsibility of pursuing and taking lead action in the investigation of housing discrimination cases. Persons who believe they have been discriminated against should contact the Attorney General's Office at one of the following two offices:

Phoenix Office 1275 West Washington St. Phoenix, AZ 85007 602.542.5263 602.542.5002 (TDD) 877.491.5742 (toll free) 877.624.8090 (toll free TDD)	Tucson Office 400 West Congress, Suite S215 Tucson, AZ 85701 520.628.6500 520.628.6872 (TDD) 877.491.5740 (toll free) 877.881.7552 (toll free TDD)
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The Attorney General has a part-time local Flagstaff office that accepts only walk-in traffic for inquiry as to employment cases, not civil or housing complaints.

## THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Department of Housing and Urban Development (HUD) oversees, administers, and enforces fair housing law across the nation. The Office of Fair Housing and Equal Opportunity (FHEO) of HUD is responsible for administration of fair housing programs and for processing fair housing complaints. The Civil Rights Division of the U.S. Department of Justice is responsible for litigating on behalf of HUD in select cases of fair housing violations.

The HUD Regional Office for Region IX in San Francisco, California oversees housing, community development, and fair housing enforcement in Arizona. The HUD Regional Office is a point of contact for fair housing claims at HUD, even though the Arizona Attorney General is the substantially equivalent agency in Arizona. Pertinent contact information is as follows:

Regional Office of Fair Housing and Equal Opportunity  
U.S. Department of Housing and Urban Development  
San Francisco Regional Office  
600 Harrison St. 3rd Floor  
San Francisco, CA 94107-1300

## FAIR HOUSING ASSISTANCE AND INITIATIVE PROGRAMS

Some agencies receive funding directly from HUD as Fair Housing Assistance Programs (FHAPs). HUD also funds Fair Housing Initiative Programs (FHIPs). The fundamental difference between the two programs is that FHAPs require an ordinance or law that empowers a governmental agency to enforce the Fair Housing Act; they are considered “substantially equivalent” to federal agency enforcement activities. The Arizona Attorney General’s Office is Arizona’s designated substantially equivalent agency and a FHAP.

FHIPs, on the other hand, may be a government agency, a non-profit organization, or a for-profit organization. The FHIP competitive grant program provides funds to organizations to carry out projects and activities designed to enforce and enhance compliance with the Fair Housing Act. Eligible activities include education and outreach to the public and to the housing industry on fair housing rights and responsibilities, and enforcement of fair housing complaints, including testing and activities in support of litigation.

In 2005, the FHIP program awarded the following three types of grants across the nation:

- Private Enforcement Initiative (PEI) grants: About \$13.6 million in enforcement grants were awarded in amounts of up to \$275,000 to assist private, tax-exempt fair housing enforcement organizations in the investigation and enforcement of alleged violations of the Fair Housing Act and substantially equivalent state and local fair housing laws.
- Education and Outreach Initiative (EOI) grants: About \$3.9 million was allocated for one-year grants of up to \$100,000 to inform and educate the public about their rights

and obligations under federal, state and local fair housing laws. Within that total amount, about \$800,000 went to nine groups that focus on the needs of people with disabilities and the accessibility portions of the Fair Housing Act.

- Fair Housing Organizations Initiative (FHOI) grants: About \$500,000 was awarded to one organization to develop a new fair housing organization that will serve rural and immigrant populations in underserved areas or where there currently is no existing fair housing organization.

## **CITY OF FLAGSTAFF AGENCIES AND ORGANIZATIONS**

The SW Fair Housing Council, located in Tucson, is the only FHIP entity that periodically provides fair housing outreach and education in Flagstaff, better informing housing consumers of their rights and how to enforce them, as well as advising housing providers of the nuances of housing law.

These services are provided at no charge to the client. Instead, the Center is funded through memberships, private donations, the U.S. Department of Housing and Urban Development (HUD), the Arizona State Department of Housing, and local Community Development Block Grant (CDBG) funding. The SWFHC has served the communities of southern Arizona since 1988. Counties in their jurisdiction include Cochise, Coconino, Graham, Greenlee, La Paz, Pinal, Santa Cruz, Yavapai, Apache, Navajo, Gila, Maricopa, Pima, Mojave, and Yuma.<sup>9</sup>

Legal Aid/DNA-People's Legal Services, Inc. is a nonprofit law firm that provides free legal services in civil matters to qualified low-income residents on and near the Navajo Nation. Eligibility is based on federal poverty guidelines. Because of demand and limited resources DNA must set priorities for case acceptance.

The service provides legal representation and education for its clients about their legal rights. Attorneys, tribal court advocates, paralegals, intake workers, and legal secretaries in addition to other support staff are available for use in the research and support of legal issues.<sup>10</sup>

## **OTHER ORGANIZATIONS**

The Arizona Fair Housing Center (AFHC) is a private, independent, 501 C (3), non-profit fair housing agency. AFHC was originally incorporated in 1987 and began staffed operations in October of 1989 as the Metropolitan Phoenix Fair Housing Center, the first fair housing agency in the state of Arizona. In 1994 the agency changed its name from the Metropolitan Phoenix Fair Housing Center to the Arizona Fair Housing Center.<sup>11</sup> While the agency intends to provide services in central and northern Arizona, its presence in Flagstaff is currently somewhat limited.

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<sup>9</sup> <http://www.swfhc.com/about.htm>

<sup>10</sup> <http://dnalegalservices.org/>

<sup>11</sup> <http://www.azfairhousing.com/>

## RELATED NATIONAL STUDIES

In November 2000, HUD released results from a study entitled, “Discrimination in Metropolitan Housing Markets.”<sup>12</sup> The study, HDS2000, measured the extent of housing discrimination in the United States against people because of their race or color. It was the third nationwide effort sponsored by HUD to measure the amount of discrimination faced by minority home seekers.

The report states that “Housing discrimination [...] raises the costs of the search for housing, creates barriers to homeownership and housing choice, and contributes to the perpetuation of racial and ethnic segregation.”<sup>13</sup> Similar HUD-sponsored studies were conducted in 1977 and 1989, and both found significant levels of racial and ethnic discrimination in both rental and sales markets of urban areas nationwide.

HDS2000 measured discrimination in 23 metropolitan areas with populations greater than 100,000, using 4,600 tests. The study found that discrimination persists in both rental and sales markets of large metropolitan areas nationwide, but that its incidence generally declined after 1989. The exception is for Hispanic renters, who faced essentially the same incidence of discrimination in 2000 as they did in 1989.

In 2002, HUD conducted a nationwide survey of the general public entitled, “How Much Do We Know.”<sup>14</sup> This report found that 14 percent of adults, the equivalent of more than 28 million people, said they had experienced housing discrimination at some point in their lifetime. The study found that “few people who believed they had been discriminated against took any action, with most seeing little point in doing so.”<sup>15</sup>

In its 2004 Fair Housing Trends Report, the National Fair Housing Alliance (NFHA) states that discrimination based on national origin is largely underreported, specifically by Hispanics, Asian-Americans, and Native Americans. This is due, they state, to “language barriers and other cultural issues which could include immigration status, hesitancy to challenge authority, and a general lack of faith in the justice system.”<sup>16</sup>

It is possible that the length of time necessary to reach complaint resolution also may deter complainants, as pointed out in the U.S. General Accounting Office’s (GAO) 2004 report, titled “Fair Housing: Opportunities to Improve HUD’s Oversight and Management of the Enforcement Process.” The GAO report found that, although the process had improved in recent years, between 1996 and 2003 the median number of days required to complete fair housing complaint investigations was 259 days for HUD’s Fair Housing and Equal

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<sup>12</sup> *Discrimination in Metropolitan Housing Markets: National Results from Phase I HDS 2000*, Final Report, November 2000. Complete report is available at <http://www.huduser.org/publications/hsgfin/hds.html>.

<sup>13</sup> *Ibid.* 1-1.

<sup>14</sup> *How Much Do We Know?*, United States Department of Housing and Urban Development, Office of Policy Research and Development, 2002. Results are available at <http://www.huduser.org/Publications>.

<sup>15</sup> *Ibid.*, Executive Summary, x.

<sup>16</sup> *2004 Fair Housing Trends Report*, National Fair Housing Alliance, Pg. 8. Available at [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

Opportunity Offices and 195 days for FHAP agencies. The report did find a higher percentage of investigations completed within the Fair Housing Act's 100-day mandate.<sup>17</sup>

The GAO report also identified the following trends between 1996 and 2003:

- The number of fair housing complaints filed each year showed a steady increase since 1998. An increasing proportion of complaints alleged discrimination based on disability, and a declining proportion of complaints alleged discrimination based on race. Race was still the most cited basis of housing discrimination over the period.
- FHAP agencies conducted more fair housing investigations than FHEO agencies over the period. The total number of investigations completed each year increased somewhat after declining in 1997 and 1998.
- Investigation outcomes changed over the period, with an increasing percentage closed without a finding of reasonable cause to believe discrimination occurred. A declining percentage of investigations were resolved by the parties themselves or with help from FHEO or FHAP agencies.

In January of 2005, the Center for Community Capitalism at The University of North Carolina at Chapel Hill (UNC) reported that predatory loan terms increase the risk of mortgage foreclosure in subprime home loans. The study examined recent home mortgages while holding terms the same such as credit scores, loan terms, and varying economic conditions. Conditions in the home mortgage industry have led to predatory lending practices in the home mortgage industry. Previous studies have found a correlation between subprime lending and foreclosures. This study specifically demonstrates that prepayment penalties and balloon payments lead to additional home losses.<sup>18</sup> For example, in the prime lending market only 2 percent of home loans carry prepayment penalties of any length. Conversely, up to 80 percent of all subprime mortgages carry a prepayment penalty, a fee for paying off a loan early. An abusive prepayment penalty extends more than 3 years and/or costs more than six months' interest.<sup>19</sup>

The article further explains that, according to Fannie Mae, 51 percent of refinance mortgages are in predominantly African-American neighborhoods compared to only 9 percent of refinances in predominantly Caucasian neighborhoods. Thus, targeting minorities seems to be an abusive practice in the subprime lending industry. The study also found that consumers appear to be unaware of avoiding "mandatory arbitration." This clause in home mortgage contracts prevents consumers from seeking remedies in court when they find that their home is threatened by illegal and abusive terms.

Increases in foreclosures and evictions are extremely costly to both individual consumers and neighborhoods. As noted previously, those who are experiencing a severe cost burden are only one step away from being at-risk of homelessness. With one financial set-back, such as an auto accident, a medical emergency, or a job layoff, renters are faced with

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<sup>17</sup> *Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process*, United States General Accounting Office, Report to Congressional Requesters, April 2004.

<sup>18</sup> <http://www.kenan-flagler.unc.edu/assets/documents/foreclosurerelease.pdf>

<sup>19</sup> <http://www.responsiblelending.org/pdfs/2b003-mortgage2005.pdf>

immediate and challenging housing choices. Homeowners are not able to conduct normal and periodic maintenance on their homes, thereby contributing to a blighting influence. Similarly, increased foreclosures lead to blight in neighborhoods. An increase in education and outreach regarding typical fees charged and consumers' rights in the home mortgage market would help prevent Flagstaff residents from becoming victims of predatory lending practices.

## **SUMMARY**

While the issue of fair housing non-compliance and lack of understanding of fair housing law has been studied in national and regional forums, little exists that is directly applicable to Flagstaff.

Furthermore, while someone wishing to file a housing complaint can do so with HUD or the Arizona Attorney General, there do not appear to be many avenues open in the local community to effectively pursue such actions. Consequently, access to fair housing services appears to be somewhat constrained in Flagstaff.

## SECTION IV. EVALUATION OF THE FAIR HOUSING PROFILE

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This section of the Analysis of Impediments reviews the fair housing system, including the complaint process, the degree to which fair housing is affirmatively furthered, the 2006 Fair Housing Interviews, home mortgage and lending practices seen in the City, and then draws inferences about these relationships.

### COMPLAINT AND COMPLIANCE REVIEW

#### THE ARIZONA ATTORNEY GENERAL

The Arizona Attorney General, as the designated substantially equivalent agency, is charged with carrying out the investigative and enforcement functions of both federal and state fair housing law.

Filing a complaint with the Arizona Attorney General is simple. Initiating the process is done by completing an intake complaint form. The form is to be delivered to the Attorney General's office by mail, fax, or via the internet. This form is located at:

[http://www.azag.gov/civil\\_rights/CivilRightsIntake.pdf](http://www.azag.gov/civil_rights/CivilRightsIntake.pdf)

The Attorney General advises persons wishing to file a complaint to consider the following when completing the complaint:

- First, make a separate list of the things you want to say.
- Present the events in the order in which they happened using dates whenever possible.
- Type or print legibly in ink.
- Enclose copies of documents such as records, letters, contracts, policies, manuals, receipts, or other documents that you have regarding the incident of discrimination. KEEP ORIGINAL DOCUMENTS FOR YOUR FILES.
- Remember that your questionnaire should describe the event or incident that you believe to be discriminatory. If possible, state why the act was discriminatory.
- Mail or deliver your questionnaire to the Phoenix or Tucson office.
- Upon receipt of your questionnaire, a member of our staff will review your questionnaire and contact you. This process may take up to two weeks after our receipt of your questionnaire, depending on the circumstances and the information you are able to provide with your questionnaire.

Typically after receiving the complaint, the Attorney General will notify the alleged violator of the complaint, and that person must submit a response. The Attorney General will investigate the complaint and determine whether reasonable cause exists to believe that the Fair Housing Act has been violated.

If the Fair Housing Act has been violated, the Attorney General will try to reach a conciliation agreement with the respondent. If an agreement is reached, the Attorney General will take no further action on the complaint. If the Attorney General finds reasonable cause to believe that the discrimination occurred, and no conciliation is reached, the case will be heard in an administrative hearing within 120 days. The case may be handled by the Department of Justice (DOJ) and heard in U.S. District Court if one of the parties so desires.

## **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Individuals who believe they have been discriminated against in a housing transaction may file a complaint with the HUD Enforcement Division in San Francisco. The first step in filing a complaint with HUD is to submit a Housing Discrimination Complaint form explaining the nature of the alleged violation. Housing discrimination complaint forms, HUD-903.1, are available on the Internet at:

<http://www.hud.gov/complaints/housediscrim.cfm>

A complaint form or additional information may be obtained by calling the HUD Housing Discrimination Hotline at 1-800-669-9777, or by writing to the following address:

U.S. Department of Housing and Urban Development  
Office of Fair Housing and Equal Opportunity  
Room 5204  
451 Seventh St. S.W.  
Washington, DC 20410-2000

If HUD adjudicates the case, HUD lawyers will litigate the case for the complainant before an Administrative Law Judge (ALJ). If the ALJ decides that discrimination occurred, the respondent can be ordered:<sup>20</sup>

- To compensate for actual damages, including humiliation, pain, and suffering
- To provide injunctive or other equitable relief; for example, to make housing available
- To pay the federal government a civil penalty to vindicate the public interest
  - The maximum penalties are \$10,000 for a first violation
  - \$27,500 for a second offense
  - \$50,000 for a third violation within seven years
- To pay reasonable attorney's fees and costs

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<sup>20</sup> <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

## FAIR HOUSING TESTING

Fair housing testing can be a useful measure for evaluating the operation of a housing market for compliance with fair housing law. There are four basic types of testing activities: complaint-based, random, audit, and systemic. Each is briefly explained below.

*Complaint-based testing:* After receipt of a housing complaint, the entity processing the housing complaint conducts a test to evaluate the validity of the alleged fair housing violation. One or more testers will call on the housing provider and inquire as to the availability of the housing. The actions of the housing provider are recorded and compared among testers to assess consistent or inconsistent behavior. This particular practice is seen as a valid way to determine cause and can further substantiate administrative or legal proceedings, if required.

*Random Testing:* Random testing lacks a clear cause and response situation. The testing entity sends testers into the housing community and attempts to determine if some housing providers have inconsistent procedures and may be violating fair housing law. However, this practice may be viewed negatively or as being unnecessarily punitive by some housing providers, since this testing method may expose housing providers who may simply be acting unwittingly and who are not fully aware of fair housing law.

*Audit Testing* represents on-site evaluation of new construction to verify that it is in compliance with ADA and fair housing accessibility guidelines. This enhances long term accessibility, knowledge of proper building requirements, as well as limiting future liability.

*Systemic Testing:* This form of testing is usually undertaken when housing providers hire testers to evaluate property managers. Testing managers in this manner can provide an opportunity to enhance fair housing education, or bring to light prospective actions that may expose the housing provider to potential liability and litigation.

## HOUSING COMPLAINT DATA

### HUD COMPLAINT DATA

HUD maintains records of all complaints filed with the agency. These data are recorded by *basis*, representing the protected class, and *issue*, representing the particular unlawful activity that took place. Basis data also tracks responses to housing complaints, such as acts of harassment or retaliation. Further, there may be more than one basis or issue arising from a single complaint. To collect the data, a Freedom of Information Act (FOIA) request was submitted to HUD requesting housing complaint data over the 1999 through 2005 fiscal years. Over this period, HUD reported just 14 complaints occurring in Flagstaff, encompassing 16 bases, as seen in Table IV.1, on the following page.

**TABLE IV.1**  
**HUD HOUSING COMPLAINT DATABASE**  
**BASIS OF COMPLAINTS: FEDERAL FISCAL YEARS 2000 THROUGH 2005**

Year	Disability	Race	Sex	Family Status	Harassment/ Retaliation	National Origin	Religion	Total	Number of Complaints
2000						1		1	1
2001	2	1						3	2
2002	2				1			3	2
2003	3							3	3
2004	1			1			1	3	3
2005		1				2		3	3
Total	8	2		1	1	3	1	16	14

Over this six-year period, there were eight complaints alleging unlawful housing practices attributed to disability, three to national origin, and two to race. This actually represents a light level of complaint activity.

**TABLE IV.2**  
**HUD HOUSING COMPLAINT DATABASE**  
**DISPOSITION OF COMPLAINTS: FEDERAL FISCAL YEARS 2000 THROUGH 2005**

Year	No Cause Determination	Administrative Problems, Complaint Abandoned	Judicial Consent Order	Conciliated	Dismissed or No Discrimination Found	Open	Total Complaints
2000			1				1
2001	1			1			2
2002	1	1					2
2003	1			2			3
2004	2			1			3
2005		1				2	3
Total	5	2	1	4		2	14

There are a number of issues pursuant to these complaints, those actions that are perceived by the complainant to be unlawful housing practices. Table IV.3, below, presents these issues by year.

**TABLE IV.3**  
**HUD HOUSING COMPLAINT DATABASE FOR CITY OF FLAGSTAFF**  
**FREQUENCY OF SELECTED ISSUES: FEDERAL FISCAL YEARS 2000 THROUGH 2005**

<b>Discriminatory Actions</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Total</b>
Discriminatory terms, conditions, privileges, services and facilities, relating to rental	1	1		2		2	6
Discriminatory refusal to rent and negotiate for rental			2	1		2	5
Failure to make reasonable accommodation or modification			1	3			4
Discriminatory acts under section 818 (coercion, etc)	1			2			3
Discriminatory refusal to sell and negotiate for sale				1	1		2
Discriminatory terms, conditions, privileges, or services and facilities					1	1	2
Use of discriminatory indicators						2	2
Non-compliance with design and construction requirements		1					1
Discriminatory advertising, statements, and notices				1			1
Discriminatory refusal to sell and negotiate for sale					1		1
Other discriminatory acts			1				1
Discriminatory financing (includes real estate transactions)					1		1
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>4</b>	<b>7</b>	<b>29</b>

While there are a number of issues occurring in the housing marketplace, most complaints appear to be coming from the rental market. Of those arising from the rental market, most issues relate to discriminatory terms or discriminatory refusal to rent. Both coercion and refusal to make reasonable accommodation are also reported.

The Arizona Attorney General provided similar data as it relates to housing complaints and the bases and issues pursuant to the complaints. As seen in Table IV.4, at right, disability is the most frequent basis, with national origin a distant second.

**TABLE IV.4**  
**HOUSING CASES FROM 2001 – 2006**  
**ARIZONA ATTORNEY GENERAL**

<b>Basis</b>	<b>Flagstaff Complaint Bases</b>
Disability	7
National Origin	2
Religion	1
Familial Status	1
Race	0
Harassment/Retaliation	0
Gender	0
<b>Total</b>	<b>11</b>

Table IV.5 offers issues enumerated from the Attorney General. Both the basis, seen at right, and the issues, seen below, are organized like the HUD data. Issues again pertain to pursuing discriminatory actions in the rental housing market.

**TABLE IV.5**  
**HOUSING CASES FROM 2001 – 2006**  
**ARIZONA ATTORNEY GENERAL**

<b>Discriminatory Actions</b>	<b>Issues</b>
Discriminatory terms/conditions/privileges/services - rental	4
Discriminatory refusal to rent	3
Failure to make reasonable accommodation or modification	2
Discriminatory acts under Section 818 (coercion)	3
Discriminatory refusal to sell and negotiate for sale	1
Discriminatory financing	1
Use of discriminatory indicators	2

## **SUITS FILED BY THE DEPARTMENT OF JUSTICE OR ARIZONA A.G.**

Under the Fair Housing Act, the Department of Justice (DOJ) may bring lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination, or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights, the DOJ may institute criminal proceedings; and,
- Where people who believe that they have been victims of an illegal housing practice file a complaint with HUD, or file their own lawsuit in federal or state court. The DOJ brings suits on behalf of individuals based on referrals from HUD.

No evidence was located indicating that the U.S. Department of Justice has brought a lawsuit in the City of Flagstaff.

However, on Feb. 7, 2006, the Arizona Attorney General's Office announced the filing of a fair housing lawsuit against the owner of a mobile home park in Flagstaff who allegedly refused to lease space to a couple because of their national origin. In 2005, a Latino couple received a donated mobile home located in the Greenlaw Mobile Home Park. The Attorney General's lawsuit alleges that Greenlaw's employees made the couple submit four applications to lease space within the park, and all four were rejected because Greenlaw claimed the applications were incomplete. The couple submitted a fifth application, which was accepted and then denied.

According to the lawsuit, Greenlaw refused the application because one of its managing agents believed one applicant provided a Social Security number that did not belong to him. After denying the application, Greenlaw's managing agent threatened to call "immigration" if the applicants did not stop complaining about Greenlaw's decision.

Refusing to rent to an individual or requiring different terms and conditions of rental because of national origin is prohibited under the Arizona Fair Housing Act. Greenlaw denies that it violated the Act.

## THE 2006 FAIR HOUSING INTERVIEWS

### RESPONDENTS TO THE 2006 FAIR HOUSING INTERVIEWS

During late January and early February of 2006, 42 persons were selected to be contacted for a series of fair housing interviews. The goal of the interview process was to contact people having expert knowledge about housing or housing-related services and assess their knowledge of fair housing compliance, collect their thoughts on perceived impediments to fair housing choice, and solicit their feelings of other barriers to and constraints on fair housing in the City of Flagstaff. The results of these interviews provided qualitative information and enhanced insights into various issues pertaining to fair housing in the City.

Individuals from a number of different fields in the housing community were involved in the process, from housing providers to lenders, developers, and Realtors. Selected categories are seen in Table IV.6, at right.

<b>TABLE IV.6</b> <b>INTERVIEW RESPONDENT ORGANIZATIONS</b> <b>CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEW</b>	
<b>Organization</b>	<b>Respondents</b>
Program manager, housing and housing services	9
Welfare service agency or entity	8
Housing activist/Community based organization	7
Property manager/property management industry	3
Mortgage lender	3
Realtors/Brokers	3
Other (engineers/architect)	2
Homebuilders/Developers	2
Permitting/code administration	2
Fair Housing entity	1
<b>Total</b>	<b>40</b>

## UNDERSTANDING OF FAIR HOUSING LAW

Federal law prohibits housing discrimination based on race, color, national origin, religion, gender, disability, or familial status. However, it does not extend protection based on income

level. Consequently, if a housing consumer has insufficient income to acquire the housing of their choice, this occurrence is not a fair housing issue.

The initial goal of the fair housing interview was to ascertain respondents' knowledge of fair housing laws governing housing activities in the City of Flagstaff. Participants were asked to list the classes that are protected by fair housing law.

Several respondents correctly listed a majority of the seven protected classes, as shown in Table IV.7, below. However, several cited incorrect groups, or categories of housing consumers that are not protected by fair housing law. This indicates that a portion of the expert community does not have a good feel for fair housing law.

**TABLE IV.7**  
**UNDERSTANDING OF FAIR HOUSING LAW**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEWS**

<b>Who is protected by fair housing laws?</b>	<b>Number Citing</b>
Cited several protected classes, has general idea	15
Renters	11
Purchasers/buyers/consumers	8
Income (low income, poor)	8
Cited the word "seven" when referring to protected classes	6
Everyone	4
Cited one or two protected classes	4
Don't know	3
Cited incorrect groups	2
Fair housing lawyers & people who work for fair housing	1
Not sure, average person	1
Landlords	1
Lender/seller	1

Another line of inquiry simply asked individuals if they had concerns about fair housing in Flagstaff, and if so, what those concerns were. Responses were telling. While the interview respondents were offered the opportunity to express one or more concerns, respondents spoke of affordable housing as a fair housing concern, asserted that they had no concerns, or indicated that there was confusion between landlord/tenant law and fair housing law. These top three replies had 19, 9 and 5 responses, respectively, as seen in Table IV.8, below. This indicates another instance where fair housing law and the matters it is designed to address are not fully understood by the City's stakeholders.

**TABLE IV.8**  
**CONCERNS WITH FAIR HOUSING**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEW**

<b>Cited concerns with Fair Housing In Flagstaff</b>	<b>Number Citing</b>
Affordability, lack of affordable housing	19
None, nothing	9
Confusion with or abuse of landlord/tenant law	5
Disabled, accessible housing	3
Race (Native American, Hispanic)	2
Housing conditions	2
Inadequate access to fair housing system	2
Familial status	2
Sexual Harassment	1
Victims of domestic violence being denied	1
Age discrimination (mobile home parks)	1
Displacement of people in substandard housing	1

The interviews asked a sequence of three questions to gauge respondents' perceptions of the value of fair housing law, as well as respondents' understanding of fair housing law. Responses to these questions are enumerated in Table IV.9, below.

**TABLE IV.9**  
**UNDERSTANDING OF FAIR HOUSING LAW**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEWS**

Question	Yes	No	Both	D.K.	Total
Do fair housing laws serve useful purpose?	36	3	1	0	40
Difficult for you or persons you work with to follow?	10	24	0	6	40
Is there a specific training process available to you?	19	20		1	40

The first question in the sequence related to whether respondents felt that fair housing laws served a useful purpose. Some 90 percent felt that they did, although three respondents said that these laws did not serve a useful purpose and one was not sure. When asked if these laws were difficult to work with, 10 said that they were difficult and six were not sure. Interestingly, when asked if specific training had been made available to them, only half of the respondents replied in the affirmative. Consequently, half of the selected expert group has not had any exposure to fair housing training.

Another line of inquiry related to the validity of the referral system. To gauge how well the stakeholders understood how to handle inquiries about alleged violations of fair housing law, respondents were asked about where they might refer an individual who felt that they were a victim of an illegal housing practice. Table IV.10 lists the entities cited in response to this question.

**TABLE IV.10**  
**ACCESS TO FAIR HOUSING COMPLAINT SYSTEM**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEW**

Entity Cited	Citations	Entity Cited	Citations
Attorney General	11	Mario Mesa	1
HUD	8	Lenders	1
Legal Aid, DNA	6	Housing Coalition	1
City of Flagstaff, Housing Section	6	Housing Authority	1
Don't Know	6	Group in Tucson	1
SW Fair Housing Council	3	Governor's office	1
Legal council, find an attorney	3	Federal Trade Commission	1
State housing department	2	Fair Housing Authority	1
BOTHANDS	2	County Board of Supervisors	1
AZ Dept of Real Estate/Realtors	2	Community Emergency Services	1
To our booklets	1	Churches	1
Receptionist in our office	1	Better Business Bureau	1
NACOG	1	AZ Center for Disability Law	1

The respondents were free to cite one or more entities. While 11 correctly identified the Arizona Attorney General's office, another eight cited HUD, and six indicated the City of Flagstaff, responses were all over the map. In fact, respondents indicated 17 different answers. The range of such response indicates confusion, or a constraint on ease of access to the fair housing complaint system.

Following this line of inquiry, interview respondents were asked if there were currently sufficient levels of outreach and education in the City of Flagstaff. As seen in Table IV.11,

22 respondents indicated that more outreach and education was desirable. In particular, several indicated that having a resource located locally was extremely desirable.

**TABLE IV.11**  
**OUTREACH AND EDUCATION FOR FAIR HOUSING**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEW**

<b>Is There Sufficient Education and Outreach Regarding Fair Housing?</b>	<b>Number Citing</b>
Need more, not enough, need local	22
Sufficient	13
Don't know	4
Sufficient to housing industry	1
Insufficient to general public	1

The interviews also addressed fair housing testing. Respondents were apprised of what constituted fair housing testing, both random and complaint-based, then were asked to comment on whether there was a need for more, less, or no change in the degree of testing. Some expressed strong opinions that more testing was desirable, although general sentiment also tends to support the notion of more testing. However, this can be interpreted as strongly aligned with complaint-based testing, and less favorably aligned with random testing.

**TABLE IV.12**  
**NEED FOR FAIR HOUSING TESTING**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEW**

<b>Feel There is Need for More, Less, or the Same Amount of Fair Housing Testing?</b>	<b>Number Citing</b>
More	18
Don't know, not sure	11
Stay the same, sufficient	8
Complaint based testing, yes	1
Expressed financial concerns	1
Less	1
Random testing, no	1
Random testing, yes	1

A concluding line of inquiry in the interviews concerned whether respondents felt that the City needed a formal fair housing plan. While 18 indicated that a plan was needed, most were actually referring to a need for an *affordable* housing plan and not a *fair* housing plan. This implies a great need for affordable housing planning, at the same time that clarification is needed as to what constitutes fair housing and affirmatively furthering fair housing. Responses to this final line of inquiry are presented in Table IV.13, below.

**TABLE IV.13**  
**NEED FOR FAIR HOUSING PLAN**  
**CITY OF FLAGSTAFF: 2006 FAIR HOUSING INTERVIEW**

<b>Is There a Need for a Flagstaff Fair Housing Plan?</b>	<b>Number Citing</b>
Yes (affordable housing needed)	18
No	10
Assume one already in place	6
Don't know	3
Couldn't hurt	2

# HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA ANALYSIS

Congress enacted the Home Mortgage Disclosure Act. While it has been amended several times, it was made permanent in 1988. The act requires both depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans. Under the act, financial institutions are required to report the race, sex, loan amount, and income of mortgage applicants and borrowers by Census Tract.

However, reporting institutions must meet a set of criteria for being required to report. For depository institutions these are:

1. The institution must be a bank, credit union, or savings association;
2. The total assets must exceed the coverage threshold;<sup>21</sup>
3. The institution must have had a home or branch office in an MSA;
4. The institution must have originated at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one-to-four-family dwelling;
5. The institution must be federally insured or regulated; and,
6. The mortgage loan must have been insured, guaranteed, or supplemented by a federal agency or intended for sale to Fannie Mae or Freddie Mac.

For other institutions, including non-depository institutions, the reporting criteria are:

1. The institution must be a for-profit organization;
2. The institution's home purchase loan originations must equal or exceed 10 percent of the institution's total loan originations, or more than \$25 million;
3. The institution must have had a home or branch office in an MSA or have received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancing on property located in an MSA in the preceding calendar year; and,
4. The institution must have assets exceeding \$10 million or have originated 100 or more home purchases in the preceding calendar year.

Most, though not all, mortgage lending activity is included in the HMDA data. Still, the information represents the most comprehensive collection of information regarding home loan applications available. HMDA data for the previous six years was collected for the City of Flagstaff.<sup>22</sup> Over the 1999 through 2004 time period, there were nearly 38,000 loan applications in the City of Flagstaff. However, fewer than half were for home purchases, just 15,174 and of these, 12,033 were for owner occupied units. These are the loan applications that have been inspected in greater detail.

One of six different actions can be taken on the loan application. The consumer can receive the loan, meaning that the loan was "originated;" the loan may have been approved but for various reasons the consumer chose not to complete the origination; the

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<sup>21</sup> Each December the Federal Reserve announces the threshold for the following year. The asset threshold may change from year to year, based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

<sup>22</sup> Detailed statistics and related back-up data are presented in Appendix A.

application could have been denied by the lending institution; or the loan may have been withdrawn, closed for incompleteness, or previously approved but only recently sold into the secondary market, but purchased by the bank. Between those loans originated or denied, the six-year history had an average denial rate of some 21 percent, as seen in Table IV.14, below. Furthermore, the denial rates have been declining over time, falling sharply from over 31 percent in 1999 to just under 14 percent by 2004, a very positive trend.

**TABLE IV.14**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**LOAN ACTION TAKEN ON OWNER OCCUPIED HOME LOAN APPLICATIONS**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Year	Loan Originated	Approved But Not Accepted	Loan Denied	Withdrawn By Applicant	Closed for Incompleteness	Loan Purchased by the Institution	Total	Average Denial Rate
1999	908	152	410	116	22	267	1,875	31.1%
2000	870	168	355	92	16	331	1,832	29.0%
2001	974	121	285	113	14	480	1,987	22.6%
2002	1,106	164	222	111	28	392	2,023	16.7%
2003	1,106	119	168	123	21	570	2,107	13.2%
2004	1,181	133	191	143	22	539	2,209	13.9%
Total	6,145	857	1,631	698	123	2,579	12,033	21.0%

These denials were segmented by gender of the primary applicant, or head of household. Over the six-year period, males tended to have a slightly lower denial rate than did females, 18.3 versus 23.1 percent. However, both genders had declining rates, with females having a lower denial rate than males in 2003 and very comparable rates in 2002 and 2004. These data are presented in Table IV.15, below.

**TABLE IV.15**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY GENDER**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Gender	1999	2000	2001	2002	2003	2004	Total
Male	28.2%	24.0%	15.8%	14.5%	13.7%	13.1%	18.3%
Female	41.2%	34.7%	22.2%	14.7%	11.7%	15.8%	23.1%
Total	31.1%	29.0%	22.6%	16.7%	13.2%	13.9%	21.0%

Denials were reviewed by denial reason. Poor credit history was the most frequent issue causing a home loan denial, followed by current level of debt compared to income. Both of these situations can be remedied with proper planning and education about the credit markets. Still, it is worthwhile to note that this particular data field in the HMDA database is not required to be completely filled in by responding institutions. Consequently, there are a number of denial reasons missing from the data, as seen in Table IV.16, on the following page.

**TABLE IV.16**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIED HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY DENIAL REASON**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Denial Reason	1999	2000	2001	2002	2003	2004	Total
Credit History	72	76	63	52	39	38	340
Debt-to-income Ratio	33	40	25	41	23	25	187
Other	22	10	24	18	11	32	117
Collateral	13	11	16	9	13	12	74
Credit Application Incomplete	8	11	18	6	13	9	65
Employment History	11	5	1	12	6	10	45
Insufficient Cash	3	1	2	2	4	9	21
Unverifiable Information	2	1	3	1	6	4	17
Mortgage Insurance Denied	.	1	.	.	.	.	1
Missing Reason	246	199	133	81	53	52	764
Total	410	355	285	222	168	191	1,631

Loan denial rates were also separated by race and ethnicity. While each of these subpopulations tend to follow the overall trend of declining denial rates, selected minorities have significantly higher denial rates, especially Native Americans, Hispanics and African-Americans, which have denial rates of 62, 33.5, and 36.8 percent respectively.<sup>23</sup> While this is of real concern, one cannot directly conclude bias in the lending markets, as Asians tend to have lower denial rates than all other races. These data are presented in Table IV.17, below.

**TABLE IV.17**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Race	1999	2000	2001	2002	2003	2004	Total
American Indian/Alaskan Native	67.0%	73.9%	67.3%	60.0%	36.4%	26.9%	62.1%
Asian or Pacific Islander	50.0%	11.1%	14.3%	.	7.1%	5.9%	13.6%
African-American	50.0%	53.8%	20.0%	33.3%	11.1%	30.8%	36.8%
Hispanic race <sup>24</sup>	45.1%	41.8%	25.9%	27.0%	26.0%	.	33.5%
Caucasian	25.5%	19.6%	12.9%	11.6%	10.8%	11.8%	15.2%
Other	70.0%	16.7%	35.7%	27.3%	22.2%	.	36.0%
Total	31.1%	29.0%	22.6%	16.7%	13.2%	13.9%	21.0%
Hispanic Ethnicity	.	.	.	.	.	16.7%	16.7%

Denial reasons were also segmented by race. It is interesting to note the variation in “missing” reasons by race. Lacking any structural problems in the lending market, the percent missing should be approximately equal by race. Unfortunately, this is not the case, with missing denial reasons for Native Americans, at nearly 60 percent, far exceeding the average, at 46.8 percent. Table IV.18, on the following page, presents this loan denial data.

<sup>23</sup> It should be noted that the terms “African-American” and “Caucasian,” rather than “black” and “white,” are used exclusively throughout the document to better align with language used in the City of Flagstaff’s 2006 Consolidated Plan.

<sup>24</sup> Starting in 2004, HMDA discontinued reporting Hispanics as a race. Hispanics were categorized separately as an ethnicity. This ethnicity category may include people of any race. Hence, there is a discontinuity in the numbers reported under the Hispanic race category.

**TABLE IV.18**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIAL REASONS BY RACE: CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Denial Reason	Native American	Asian	African-American	Hispanic	Caucasian	Other	Not Provided	Not Available	Total
Debt-to-income Ratio	15	1	2	25	121	.	23	.	187
Employment History	2	.	.	3	38	.	2	.	45
Credit History	44	1	5	60	177	7	45	1	340
Collateral	2	2	.	7	49	1	13	.	74
Insufficient Cash	.	.	2	2	14	.	3	.	21
Unverifiable Information	.	.	.	3	10	.	3	1	17
Credit Application Incomplete	2	1	.	6	45	1	10	.	65
Mortgage Insurance Denied	.	.	.	.	1	.	.	.	1
Other	10	1	3	8	75	2	18	.	117
Missing Reason	112	5	9	64	327	7	240	.	764
Total	187	11	21	178	857	18	357	2	1,631
Percent Missing Denial Reason	59.9%	45.5%	42.9%	36.0%	38.2%	38.9%	67.2%	.	46.8%

To further explore the lending market, lenders were segmented into three types: those having the majority of their business from sub-prime loans, those with a majority of their business making loans for manufactured housing, and all other lenders, herein termed “prime lenders”. As seen in Table IV.19, below, the complexion of the lending market is quite different by type of lender. The prime lenders have the best loan rates, denying loans less than 10 percent of the time at the same time as having the highest lending activity, with over 5,500 loans originated and 596 denials. On the other hand, the subprime lenders have a higher denial rate and continue to expand their presence in the market. Further, manufactured home lenders have traditionally had the highest denial rates, although their presence in the marketplace is declining sharply, and helps to explain why denial rates overall are declining.

**TABLE IV.19**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY LENDER TYPE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Application Action	1999	2000	2001	2002	2003	2004	Total
<b>Prime Lenders</b>							
Loan Originated	786	767	892	1,036	1,035	1,075	5,591
Application Denied	110	79	85	114	94	114	596
Denial Rate	12.3%	9.3%	8.7%	9.9%	8.3%	9.6%	9.6%
<b>Subprime Lenders</b>							
Loan Originated	37	43	47	59	62	100	348
Application Denied	43	41	32	22	31	43	212
Denial Rate	53.8%	48.8%	40.5%	27.2%	33.3%	30.1%	37.9%
<b>Manufactured Home Lenders</b>							
Loan Originated	85	60	35	11	9	6	206
Application Denied	257	235	168	86	43	34	823
Denial Rate	75.1%	79.7%	82.8%	88.7%	82.7%	85.0%	80.0%

Denial rates by lender type were further segmented by race and ethnicity, as seen in Table IV.20, on the following page.

**TABLE IV.20**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES**  
**BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

<b>PRIME LENDERS</b>							
<b>Race</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
American Indian/Alaskan Native	24.0%	33.3%	18.8%	7.1%	6.7%	17.6%	18.6%
Asian or Pacific Islander	28.6%	11.1%	18.2%	.	7.1%	6.3%	9.9%
African-American	28.6%	50.0%	.	33.3%	.	.	17.6%
Hispanic race	20.9%	18.8%	14.3%	19.0%	14.6%	.	17.3%
Caucasian	10.4%	7.8%	6.8%	7.3%	7.1%	8.4%	7.9%
Other	50.0%	.	22.2%	11.1%	14.3%	.	15.6%
<b>Total Prime Lenders</b>	<b>12.3%</b>	<b>9.3%</b>	<b>8.7%</b>	<b>9.9%</b>	<b>8.3%</b>	<b>9.6%</b>	<b>9.6%</b>
Hispanic Ethnicity	.	.	.	.	.	11.5%	11.5%
<b>MANUFACTURED HOME LENDERS</b>							
American Indian/Alaskan Native	81.7%	86.3%	96.9%	100.0%	100.0%	60.0%	87.9%
Asian or Pacific Islander	100.0%	.	.	.	.	.	80.0%
African-American	60.0%	66.7%	50.0%	.	100.0%	.	63.6%
Hispanic race	79.5%	89.3%	81.8%	90.0%	83.3%	.	83.8%
Caucasian	72.3%	73.4%	82.6%	86.4%	81.8%	87.0%	76.1%
Other	71.4%	100.0%	50.0%	.	100.0%	.	69.2%
<b>Total Manufactured Home Lenders</b>	<b>75.1%</b>	<b>79.7%</b>	<b>82.8%</b>	<b>88.7%</b>	<b>82.7%</b>	<b>85.0%</b>	<b>80.0%</b>
Hispanic Ethnicity	.	.	.	.	.	70.0%	70.0%

Manufactured home lenders tend to have extremely high denials across all races, and as manufactured housing has lost market share, denial rates have declined. On the other hand, subprime lenders increased their presence in the marketplace, from 80 originated or denied loans in 1999 to 143 in 2004. While denial rates in this segment of the market are still higher for both Native Americans and Hispanics, too little loan activity is present in the market to draw conclusions. These data have been removed from the table, but can be seen in Appendix A. Even so, the remaining prime lenders, while much lower, still tend to have significant differences in denial rates by race and ethnicity. Consequently, the potential for structure problems in the lending markets seems to remain.

Denial rates were segmented by race and ethnicity, by household income. While extremely low-income householders are much less likely have a home purchase loan originated, those with higher incomes have much lower denial rates, as seen in Table IV.21, on the following page.

**TABLE IV.21**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIAL RATES ON HOME LOAN APPLICATIONS BY SELECTED INCOME CATEGORIES AND BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

<b>Race</b>	<b>Data Missing</b>	<b>Less than \$15,000</b>	<b>\$15,000-\$30,000</b>	<b>\$30,000-\$45,000</b>	<b>\$45,000-\$60,000</b>	<b>\$60,000-\$75,000</b>	<b>More than \$75,000</b>	<b>Total</b>
American Indian/Alaskan Native	40.0%	100.0%	76.9%	66.3%	55.2%	33.3%	28.1%	62.1%
Asian or Pacific Islander	22.2%	.	42.9%	7.7%	18.8%	0.0%	8.7%	13.6%
African-American	100.0%	.	66.7%	30.8%	25.0%	10.0%	43.8%	36.8%
Hispanic race	18.2%	75.0%	48.4%	34.1%	20.9%	31.0%	17.2%	33.5%
Caucasian	19.3%	56.4%	34.8%	21.3%	11.8%	10.5%	7.0%	15.2%
Other	66.7%	100.0%	16.7%	60.0%	22.2%	40.0%	18.2%	36.0%
<b>Total All Lenders</b>	<b>21.3%</b>	<b>72.7%</b>	<b>46.1%</b>	<b>27.5%</b>	<b>15.8%</b>	<b>12.6%</b>	<b>9.2%</b>	<b>21.0%</b>
Hispanic Ethnicity	100.0%	100.0%	53.8%	16.7%	17.6%	5.3%	.	16.7%

Unfortunately, Native American, Hispanic, and African-American households having incomes above \$75,000 still tend to have significantly higher denial rates than do Caucasians or Asians.

## SUMMARY

## COMPLAINT AND COMPLIANCE REVIEW

The Arizona Attorney General, as the designated substantially equivalent agency, is charged with carrying out the investigative and enforcement functions of both federal and state fair housing law. The Attorney General will investigate a complaint and determine whether reasonable cause exists to believe that the Fair Housing Act has been violated. If so, the Attorney General will try to reach a conciliation agreement with the respondent, or, if the Attorney General finds reasonable cause to believe that the discrimination occurred, and no conciliation is reached, the case will be heard in an administrative hearing within 120 days.

Individuals who believe they have been discriminated against in a housing transaction may file a complaint with the HUD Enforcement Division in San Francisco. If HUD adjudicates the case, HUD lawyers will litigate the case for the complainant before an Administrative Law Judge (ALJ).

## 2006 FAIR HOUSING INTERVIEWS

During late January and early February of 2006, 42 persons were selected to be contacted for a series of fair housing interviews. Individuals from a number of different fields in the housing community were involved in the process, from housing providers to lenders, developers, and Realtors. The initial goal of the fair housing interview was to ascertain respondents' knowledge of fair housing laws governing housing activities in the City of Flagstaff.

Several respondents correctly listed a majority of the seven protected classes. However, several cited incorrect groups, or categories of housing consumers that are not protected by fair housing law. This indicates that a portion of the expert community does not have a good feel for fair housing law. Interestingly, when asked if specific training had been made available to them, only half of the respondents replied in the affirmative. Consequently, half of the selected expert group has not had any exposure to fair housing training.

To gauge how well the stakeholders understood how to handle inquiries about alleged violations of fair housing law, respondents were asked about where they might refer an individual who felt that they were a victim of an illegal housing practice. While 11 correctly identified the Arizona Attorney General's office, another eight cited HUD, and six indicated the City of Flagstaff. In fact, respondents indicated 17 different answers. The range of such response indicates confusion, or a constraint on ease of access to the fair housing complaint system.

## **HMDA DATA ANALYSIS**

Over the 1999 through 2004 time period, there were nearly 38,000 loan applications in the City of Flagstaff. However, fewer than half were for home purchases, just 15,174 and of these, 12,033 were for owner occupied units. Between loans originated or denied, the six-year history had an average denial rate of some 21 percent. Furthermore, the denial rates have been declining over time, falling sharply from over 31 percent in 1999 to just under 14 percent by 2004, a very positive trend.

Selected minorities have significantly higher denial rates, especially Native Americans, Hispanics and African-Americans, which have denial rates of 62, 33.5, and 36.8 percent respectively. While this is of real concern, one cannot directly conclude bias in the lending markets, as Asians tend to have lower denial rates than all other races. Unfortunately, Native American, Hispanic, and African-American households having incomes above \$75,000 still tend to have significantly higher denial rates than do Caucasians or Asians.

## SECTION V. SUMMARY OF IMPEDIMENTS

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Certain impediments to fair housing choice have been identified in the City of Flagstaff. Actions the City can consider in overcoming these impediments are enumerated below.

### IMPEDIMENTS TO FAIR HOUSING CHOICE

1. Violations of fair housing law have occurred in Flagstaff over the last several years. While chiefly discriminatory actions have been alleged in the rental market, the protected classes seeing most of the discrimination appear to be the disabled and those of foreign national origin.
2. High denial rates associated with home purchase applicants of Native American and Hispanic descent are a concern, even after being corrected for household income. While knowledge and understanding of the credit markets may play a role, these populations need to have better exposure to the nuances of the credit markets.
3. There is a lack of understanding of fair housing law in the key stakeholder community. Consequently, the understanding that the general public has is likely to be less.
4. There is substantive confusion about the concept of affirmatively furthering fair housing, fair housing choice, and the inability of persons of lower income to choose housing in the City of Flagstaff. Further, members of the community are confused about the differences between landlord/tenant law and fair housing law, which may lead to unwitting or deliberate abuse of landlord/tenant law.
5. The lack of understanding of fair housing law coupled with an ineffective referral system indicates that access to the fair housing system is constrained.
6. Disproportionate shares, or high concentration of racial and ethnic minorities, those with disabilities, and low-income households seen in the City is not in the spirit of promoting inclusive opportunities for housing occupancy.

### ACTIONS FOR THE CITY OF FLAGSTAFF TO CONSIDER

The City of Flagstaff is committed to affirmatively furthering fair housing and creating an environment in which its citizens can find safe, affordable, and healthy housing. Furthermore, there are several actions the City will consider in overcoming the impediments to fair housing choice identified in this analysis. These are:

1. Because a solid and well-grounded understanding of fair housing is key to being able to responsibly affirmatively further fair housing, the City of Flagstaff will enhance its outreach and education efforts. Several types of activities will be involved.
  - a. To aid in the outreach and education effort, the City will work to strengthen the overall housing provider network as well as enhance partnerships with those entities that already conduct fair housing training within their respective industries, such as Realtors, lenders, and property management associations, and attempt to broaden

- access to these systems for other members of the community.
- b. Particular efforts will first be devoted to reaching those portions of the housing provider system that do not currently have access to fair housing training.
  - c. Following this step, additional efforts will be designed to reach members of the community that have not had access to the fair housing system in the past.
2. The City will engage minority populations to better enhance understanding of the credit markets. This will be done through enhanced first-time homebuyer classes, prequalification workshops, and related outreach and education.
  3. The City will design a formalized process for fair housing complaint referral and distribute and advocate for its acceptance throughout the community. This will be first introduced to community stakeholders, and once accepted, distributed throughout the community.
  4. The City will incorporate fair housing planning as a more formalized item in the Consolidated Plan, setting aside time for fair housing dialogue during the public review and input process.
    - d. One of the key issues in this regard is to educate the City's stakeholders and the public about fair housing and how it is different from a lack of available affordable housing.
    - e. A second pertinent issue is to enhance both housing providers' and the public's understanding of the nuances between landlord/tenant law and fair housing law. This may be done with various outreach and education activities, including the exposure attained during the Consolidated Planning process.
  5. The City may wish to entertain the notion of making a policy statement related to fair housing testing, and the efficacy of complaint based, random, audit, and systemic testing approaches.
  6. The City should review its policies relating to the provision of affordable housing and renew its efforts to more broadly promote racially and ethnically inclusive housing occupancy patterns throughout the community.
  7. The City should consider making a formalized request to the Attorney General's office for expanding the local part-time AG office to include fair housing complaint intake and processing.

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# APPENDIX A: HMDA TABLES

**TABLE A.1**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

<b>Race<sup>25</sup></b>	<b>Action Taken</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
American Indian or Alaskan Native	Loan Originated	32	18	17	14	14	19	114
	Application Denied	65	51	35	21	8	7	187
	Denial Rate %	67.0%	73.9%	67.3%	60.0%	36.4%	26.9%	62.1%
Asian or Pacific Islander	Loan Originated	6	8	12	15	13	16	70
	Application Denied	6	1	2	.	1	1	11
	Denial Rate %	50.0%	11.1%	14.3%	.	7.1%	5.9%	13.6%
African-American	Loan Originated	7	6	4	2	8	9	36
	Application Denied	7	7	1	1	1	4	21
	Denial Rate %	50.0%	53.8%	20.0%	33.3%	11.1%	30.8%	36.8%
Hispanic race	Loan Originated	67	57	63	73	94	.	354
	Application Denied	55	41	22	27	33	.	178
	Denial Rate %	45.1%	41.8%	25.9%	27.0%	26.0%	.	33.5%
Caucasian	Loan Originated	723	645	727	850	854	975	4,774
	Application Denied	247	157	108	112	103	130	857
	Denial Rate %	25.5%	19.6%	12.9%	11.6%	10.8%	11.8%	15.2%
Other	Loan Originated	3	5	9	8	7	.	32
	Application Denied	7	1	5	3	2	.	18
	Denial Rate %	70.0%	16.7%	35.7%	27.3%	22.2%	.	36.0%
Not Provided by Applicant	Loan Originated	69	129	142	143	116	155	754
	Application Denied	23	97	112	58	19	48	357
	Denial Rate %	25.0%	42.9%	44.1%	28.9%	14.1%	23.6%	32.1%
Not Applicable	Loan Originated	1	2	.	1	.	7	11
	Application Denied	.	.	.	.	1	1	2
	Denial Rate %	.	.	.	.	100.0%	12.5%	15.4%
Total	Loan Originated	908	870	974	1,106	1,106	1,181	6,145
	Application Denied	410	355	285	222	168	191	1,631
	Denial Rate %	31.1%	29.0%	22.6%	16.7%	13.2%	13.9%	21.0%

**TABLE A.1a**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY ETHNICITY**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

<b>Ethnicity</b>	<b>Action Taken</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
Hispanic	Loan Originated	.	.	.	.	.	80	80
	Application Denied	.	.	.	.	.	16	16
	Denial Rate %	.	.	.	.	.	16.7%	16.7%

<sup>25</sup> It should be noted that the terms "African-American" and "Caucasian," rather than "black" and "white," are used exclusively throughout the document to better align with language used in the City of Flagstaff's 2006 Consolidated Plan.

**TABLE A.2**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY GENDER**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Gender	Action Taken	1999	2000	2001	2002	2003	2004	Total
Male	Loan Originated	668	554	617	734	735	770	4,078
	Application Denied	263	175	116	124	117	116	911
	Denial Rate %	28.2%	24.0%	15.8%	14.5%	13.7%	13.1%	18.3%
Female	Loan Originated	190	207	238	261	301	330	1,527
	Application Denied	133	110	68	45	40	62	458
	Denial Rate %	41.2%	34.7%	22.2%	14.7%	11.7%	15.8%	23.1%
Not Provided by Applicant	Loan Originated	49	109	119	110	70	78	535
	Application Denied	14	70	101	53	10	13	261
	Denial Rate %	22.2%	39.1%	45.9%	32.5%	12.5%	14.3%	32.8%
Not Applicable	Loan Originated	1	.	.	1	.	3	5
	Application Denied	.	.	.	.	1	.	1
	Denial Rate %	.	.	.	.	100.0%	.	16.7%
Total	Loan Originated	908	870	974	1,106	1,106	1,181	6,145
	Application Denied	410	355	285	222	168	191	1,631
	Denial Rate %	31.1%	29.0%	22.6%	16.7%	13.2%	13.9%	21.0%

**TABLE A.3**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY DENIAL REASON**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Denial Reason	1999	2000	2001	2002	2003	2004	Total
Debt-to-income Ratio	33	40	25	41	23	25	187
Employment History	11	5	1	12	6	10	45
Credit History	72	76	63	52	39	38	340
Collateral	13	11	16	9	13	12	74
Insufficient Cash	3	1	2	2	4	9	21
Unverifiable Information	2	1	3	1	6	4	17
Credit Application Incomplete	8	11	18	6	13	9	65
Mortgage Insurance Denied	.	1	.	.	.	.	1
Other	22	10	24	18	11	32	117
Missing	246	199	133	81	53	52	764
Total	410	355	285	222	168	191	1,631

**TABLE A.4**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY LENDER TYPE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Application Action	1999	2000	2001	2002	2003	2004	Total
<b>Prime Lenders</b>							
Loan Originated	786	767	892	1,036	1,035	1,075	5,591
Application Denied	110	79	85	114	94	114	596
Denial Rate	12.3%	9.3%	8.7%	9.9%	8.3%	9.6%	9.6%
<b>Subprime Lenders</b>							
Loan Originated	37	43	47	59	62	100	348
Application Denied	43	41	32	22	31	43	212
Denial Rate	53.8%	48.8%	40.5%	27.2%	33.3%	30.1%	37.9%
<b>Manufactured Home Lenders</b>							
Loan Originated	85	60	35	11	9	6	206
Application Denied	257	235	168	86	43	34	823
Denial Rate	75.1%	79.7%	82.8%	88.7%	82.7%	85.0%	80.0%

**TABLE A.5**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**PRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Race	Action Taken	1999	2000	2001	2002	2003	2004	Total
American Indian or Alaskan Native	Loan Originated	19	10	13	13	14	14	83
	Application Denied	6	5	3	1	1	3	19
	Denial Rate %	24.0%	33.3%	18.8%	7.1%	6.7%	17.6%	18.6%
Asian or Pacific Islander	Loan Originated	5	8	9	14	13	15	64
	Application Denied	2	1	2		1	1	7
	Denial Rate %	28.6%	11.1%	18.2%		7.1%	6.3%	9.9%
African-American	Loan Originated	5	3	3	2	8	7	28
	Application Denied	2	3		1			6
	Denial Rate %	28.6%	50.0%		33.3%			17.6%
Hispanic race	Loan Originated	53	52	60	64	82		311
	Application Denied	14	12	10	15	14		65
	Denial Rate %	20.9%	18.8%	14.3%	19.0%	14.6%		17.3%
Caucasian	Loan Originated	643	590	686	801	802	894	4,416
	Application Denied	75	50	50	63	61	82	381
	Denial Rate %	10.4%	7.8%	6.8%	7.3%	7.1%	8.4%	7.9%
Other	Loan Originated	1	5	7	8	6		27
	Application Denied	1		2	1	1		5
	Denial Rate %	50.0%		22.2%	11.1%	14.3%		15.6%
Not Provided by Applicant	Loan Originated	59	97	114	134	110	138	652
	Application Denied	10	8	18	33	15	27	111
	Denial Rate %	14.5%	7.6%	13.6%	19.8%	12.0%	16.4%	14.5%
Not Applicable	Loan Originated	1	2				7	10
	Application Denied					1	1	2
	Denial Rate %					100.0%	12.5%	16.7%
Total	Loan Originated	786	767	892	1,036	1,035	1,075	5,591
	Application Denied	110	79	85	114	94	114	596
	Denial Rate %	12.3%	9.3%	8.7%	9.9%	8.3%	9.6%	9.6%

**TABLE A.5a**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**PRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES**  
**BY ETHNICITY**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Ethnicity	Action Taken	1999	2000	2001	2002	2003	2004	Total
Hispanic	Loan Originated						69	69
	Application Denied						9	9
	Denial Rate %						11.5%	11.5%

**TABLE A.6**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**SUBPRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Race	Action Taken	1999	2000	2001	2002	2003	2004	Total
American Indian or Alaskan Native	Loan Originated	2	1	3	1	.	3	10
	Application Denied	10	2	1	1	1	1	16
	Denial Rate %	83.3%	66.7%	25.0%	50.0%	100.0%	25.0%	61.5%
Asian or Pacific Islander	Loan Originated	1	.	2	1	.	1	5
	Application Denied	.	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.	.
African-American	Loan Originated	.	2	.	.	.	2	4
	Application Denied	2	2	.	.	.	4	8
	Denial Rate %	100.0%	50.0%	.	.	.	66.7%	66.7%
Hispanic race	Loan Originated	5	2	1	8	9	.	25
	Application Denied	6	4	3	3	4	.	20
	Denial Rate %	54.5%	66.7%	75.0%	27.3%	30.8%	.	44.4%
Caucasian	Loan Originated	21	26	33	43	48	78	249
	Application Denied	18	27	20	11	24	28	128
	Denial Rate %	46.2%	50.9%	37.7%	20.4%	33.3%	26.4%	34.0%
Other	Loan Originated	.	.	.	.	1	.	1
	Application Denied	1	.	1	2	.	.	4
	Denial Rate %	100.0%	.	100.0%	100.0%	.	.	80.0%
Not Provided by Applicant	Loan Originated	8	12	8	6	4	16	54
	Application Denied	6	6	7	5	2	10	36
	Denial Rate %	42.9%	33.3%	46.7%	45.5%	33.3%	38.5%	40.0%
Not Applicable	Loan Originated	.	.	.	.	.	.	.
	Application Denied	.	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.	.
Total	Loan Originated	37	43	47	59	62	100	348
	Application Denied	43	41	32	22	31	43	212
	Denial Rate %	53.8%	48.8%	40.5%	27.2%	33.3%	30.1%	37.9%

**TABLE A.6a**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**SUBPRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY ETHNICITY**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Ethnicity	Action Taken	1999	2000	2001	2002	2003	2004	Total
Hispanic	Loan Originated	.	.	.	.	.	8	8
	Application Denied	.	.	.	.	.	0	0
	Denial Rate %	.	.	.	.	.	0.0%	0.0%

**TABLE A.7**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**MANUFACTURED HOME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS**  
**OWNER OCCUPIED HOMES BY RACE**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

<b>Race</b>	<b>Action Taken</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
American Indian or Alaskan Native	Loan Originated	11	7	1	.	.	2	21
	Application Denied	49	44	31	19	6	3	152
	Denial Rate %	81.7%	86.3%	96.9%	100.0%	100.0%	60.0%	87.9%
Asian or Pacific Islander	Loan Originated	.	.	1	.	.	.	1
	Application Denied	4	.	.	.	.	.	4
	Denial Rate %	100.0%	.	.	.	.	.	80.0%
African-American	Loan Originated	2	1	1	.	.	.	4
	Application Denied	3	2	1	.	1	.	7
	Denial Rate %	60.0%	66.7%	50.0%	.	100.0%	.	63.6%
Hispanic race	Loan Originated	9	3	2	1	3	.	18
	Application Denied	35	25	9	9	15	.	93
	Denial Rate %	79.5%	89.3%	81.8%	90.0%	83.3%	.	83.8%
Caucasian	Loan Originated	59	29	8	6	4	3	109
	Application Denied	154	80	38	38	18	20	348
	Denial Rate %	72.3%	73.4%	82.6%	86.4%	81.8%	87.0%	76.1%
Other	Loan Originated	2	.	2	.	.	.	4
	Application Denied	5	1	2	.	1	.	9
	Denial Rate %	71.4%	100.0%	50.0%	.	100.0%	.	69.2%
Not Provided by Applicant	Loan Originated	2	20	20	3	2	1	48
	Application Denied	7	83	87	20	2	11	210
	Denial Rate %	77.8%	80.6%	81.3%	87.0%	50.0%	91.7%	81.4%
Not Applicable	Loan Originated	.	.	.	1	.	.	1
	Application Denied	.	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.	.
Total	Loan Originated	85	60	35	11	9	6	206
	Application Denied	257	235	168	86	43	34	823
	Denial Rate %	75.1%	79.7%	82.8%	88.7%	82.7%	85.0%	80.0%

**TABLE A.7a**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**MANUFACTURED HOME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER**  
**OCCUPIED HOMES BY ETHNICITY**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

<b>Ethnicity</b>	<b>Action Taken</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
Hispanic	Loan Originated	.	.	.	.	.	3	3
	Application Denied	.	.	.	.	.	7	7
	Denial Rate %	.	.	.	.	.	70.0%	70.0%

**TABLE A.8**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**PRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES**  
**BY GENDER**

CITY OF FLAGSTAFF: 1999 THROUGH 2004								
Gender	Action Taken	1999	2000	2001	2002	2003	2004	Total
Male	Loan Originated	583	503	579	686	688	703	3,742
	Application Denied	79	53	50	63	66	69	380
	Denial Rate %	11.9%	9.5%	7.9%	8.4%	8.8%	8.9%	9.2%
Female	Loan Originated	155	179	217	245	279	293	1,368
	Application Denied	25	19	18	19	18	36	135
	Denial Rate %	13.9%	9.6%	7.7%	7.2%	6.1%	10.9%	9.0%
Not Provided by Applicant	Loan Originated	47	85	96	105	68	76	477
	Application Denied	6	7	17	32	10	9	81
	Denial Rate %	11.3%	7.6%	15.0%	23.4%	12.8%	10.6%	14.5%
Not Applicable	Loan Originated	1	.	.	.	.	3	4
	Application Denied	.	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.	.
Total	Loan Originated	786	767	892	1,036	1,035	1,075	5,591
	Application Denied	110	79	85	114	94	114	596
	Denial Rate %	12.3%	9.3%	8.7%	9.9%	8.3%	9.6%	9.6%

**TABLE A.9**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**SUBPRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES**  
**BY GENDER**

CITY OF FLAGSTAFF: 1999 THROUGH 2004								
Gender	Action Taken	1999	2000	2001	2002	2003	2004	Total
Male	Loan Originated	28	25	26	41	43	64	227
	Application Denied	30	20	15	11	22	26	124
	Denial Rate %	51.7%	44.4%	36.6%	21.2%	33.8%	28.9%	35.3%
Female	Loan Originated	7	11	16	14	19	34	101
	Application Denied	11	15	13	7	8	14	68
	Denial Rate %	61.1%	57.7%	44.8%	33.3%	29.6%	29.2%	40.2%
Not Provided by Applicant	Loan Originated	2	7	5	4	.	2	20
	Application Denied	2	6	4	4	.	3	19
	Denial Rate %	50.0%	46.2%	44.4%	50.0%	.	60.0%	48.7%
Not Applicable	Loan Originated	.	.	.	.	.	.	.
	Application Denied	.	.	.	.	1	.	1
	Denial Rate %	.	.	.	.	100.0%	.	100.0%
Total	Loan Originated	37	43	47	59	62	100	348
	Application Denied	43	41	32	22	31	43	212
	Denial Rate %	53.8%	48.8%	40.5%	27.2%	33.3%	30.1%	37.9%

**TABLE A.10**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**MANUFACTURED HOME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS**  
**OWNER OCCUPIED HOMES BY GENDER**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Gender	Action Taken	1999	2000	2001	2002	2003	2004	Total
Male	Loan Originated	57	26	12	7	4	3	109
	Application Denied	154	102	51	50	29	21	407
	Denial Rate %	73.0%	79.7%	81.0%	87.7%	87.9%	87.5%	78.9%
Female	Loan Originated	28	17	5	2	3	3	58
	Application Denied	97	76	37	19	14	12	255
	Denial Rate %	77.6%	81.7%	88.1%	90.5%	82.4%	80.0%	81.5%
Not Provided by Applicant	Loan Originated	.	17	18	1	2	.	38
	Application Denied	6	57	80	17	.	1	161
	Denial Rate %	100.0%	77.0%	81.6%	94.4%	.	100.0%	80.9%
Not Applicable	Loan Originated	.	.	.	1	.	.	1
	Application Denied	.	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.	.
Total	Loan Originated	85	60	35	11	9	6	206
	Application Denied	257	235	168	86	43	34	823
	Denial Rate %	75.1%	79.7%	82.8%	88.7%	82.7%	85.0%	80.0%

**TABLE A.11**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES**  
**BY RACE AND SELECTED INCOME CATEGORIES**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Race	Action Taken	Missing	<\$15k	\$15-30k	\$30-45k	\$45-60k	\$60-75k	>\$75k	Total
American Indian or Alaskan Native	Loan Originated	3	.	21	27	26	14	23	114
	Application Denied	2	14	70	53	32	7	9	187
	Denial Rate %	40.0%	100.0%	76.9%	66.3%	55.2%	33.3%	28.1%	62.1%
Asian or Pacific Islander	Loan Originated	7	.	4	12	13	13	21	70
	Application Denied	2	.	3	1	3	.	2	11
	Denial Rate %	22.2%	.	42.9%	7.7%	18.8%	.	8.7%	13.6%
African- American	Loan Originated	.	.	3	9	6	9	9	36
	Application Denied	1	.	6	4	2	1	7	21
	Denial Rate %	100.0%	.	66.7%	30.8%	25.0%	10.0%	43.8%	36.8%
Hispanic race	Loan Originated	9	3	63	110	72	49	48	354
	Application Denied	2	9	59	57	19	22	10	178
	Denial Rate %	18.2%	75.0%	48.4%	34.1%	20.9%	31.0%	17.2%	33.5%
Caucasian	Loan Originated	151	17	391	944	945	777	1,549	4,774
	Application Denied	36	22	209	256	126	91	117	857
	Denial Rate %	19.3%	56.4%	34.8%	21.3%	11.8%	10.5%	7.0%	15.2%
Other	Loan Originated	1	.	5	4	7	6	9	32
	Application Denied	2	1	1	6	2	4	2	18
	Denial Rate %	66.7%	100.0%	16.7%	60.0%	22.2%	40.0%	18.2%	36.0%
Not Provided by Applicant	Loan Originated	25	4	58	156	167	112	232	754
	Application Denied	7	18	119	104	49	15	45	357
	Denial Rate %	21.9%	81.8%	67.2%	40.0%	22.7%	11.8%	16.2%	32.1%
Not Applicable	Loan Originated	.	.	1	4	4	2	.	11
	Application Denied	1	.	.	.	.	1	.	2
	Denial Rate %	100.0%	.	.	.	.	33.3%	.	15.4%
Total	Loan Originated	196	24	546	1,266	1,240	982	1,891	6,145
	Application Denied	53	64	467	481	233	141	192	1,631
	Denial Rate %	21.3%	72.7%	46.1%	27.5%	15.8%	12.6%	9.2%	21.0%
Hispanic Ethnicity	Loan Originated	.	.	6	15	14	18	27	80
	Application Denied	1	1	7	3	3	1	.	16
	Denial Rate %	100.0%	100.0%	53.8%	16.7%	17.6%	5.3%	.	16.7%

**TABLE A.12**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**OWNER OCCUPIED HOME LOAN APPLICATIONS**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Year	Loan Details	Conventional	FHA Insured	VA Guaranteed	Rural Housing or Farm Service Agency	Total
1999	Average Loan Amount	107,141	111,409	141,731	.	108,362
	Total Loan Amount (\$1,000)	182,997	12,812	7,370	.	203,179
	Total Applications	1,708	115	52	.	1,875
2000	Average Loan Amount	111,195	108,325	146,810	.	111,814
	Total Loan Amount (\$1,000)	185,028	13,649	6,166	.	204,843
	Total Applications	1,664	126	42	.	1,832
2001	Average Loan Amount	129,308	113,762	149,404	.	128,829
	Total Loan Amount (\$1,000)	235,082	13,879	7,022	.	255,983
	Total Applications	1,818	122	47	.	1,987
2002	Average Loan Amount	139,987	124,158	171,814	70,000	139,256
	Total Loan Amount (\$1,000)	252,956	21,231	7,388	140	281,715
	Total Applications	1,807	171	43	2	2,023
2003	Average Loan Amount	154,522	134,160	173,395	.	153,883
	Total Loan Amount (\$1,000)	302,554	14,221	7,456	.	324,231
	Total Applications	1,958	106	43	.	2,107
2004	Average Loan Amount	168,811	145,238	177,186	.	167,587
	Total Loan Amount (\$1,000)	343,700	18,881	7,619	.	370,200
	Total Applications	2,036	130	43	.	2,209
Total	Average Loan Amount	136,686	122,952	159,337	70,000	136,304
	Total Loan Amount (\$1,000)	1,502,317	94,673	43,021	140	1,640,151
	Total Applications	10,991	770	270	2	12,033

**TABLE A.13**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**OWNER OCCUPIED HOME LOAN APPLICATIONS: AVERAGE LOAN AMOUNT**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Income Range	Prime	Subprime	MFG Home
< \$15,000	85,467	61,800	30,943
\$15 - \$30,000	94,655	67,550	37,412
\$30 - \$45,000	115,724	79,191	42,290
\$45 - \$60,000	135,314	111,415	50,726
\$60 - \$75,000	152,972	121,671	56,127
> \$75,000	197,005	169,402	51,152

**TABLE A.14**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**HOME IMPROVEMENT LOAN APPLICATIONS**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Year	Owner Occupied	Not Owner Occupied	Not Available	Total Loan Applications
1999	246	12	.	258
2000	183	13	1	197
2001	139	4	1	144
2002	185	8	.	193
2003	154	.	3	157
2004	284	10	2	296
Total	1,191	47	7	1,245

**TABLE A.15**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**LOAN ACTION TAKEN ON OWNER OCCUPIED HOME IMPROVEMENT LOAN APPLICATIONS**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Year	Loan Originated	Approved But not Accepted	Loan Denied	Withdrawn By Applicant	Closed for Incomplete ness	Loan Purchased By the Institution	Total	Average Denial Rate
1999	94	39	81	25	1	6	246	46.3%
2000	64	32	56	8	3	20	183	46.7%
2001	61	11	51	11	2	3	139	45.5%
2002	67	29	74	10	2	3	185	52.5%
2003	40	27	66	11	8	2	154	62.3%
2004	107	28	97	33	7	12	284	47.5%
Total	433	166	425	98	23	46	1,191	49.5%

**TABLE A.16**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**OWNER OCCUPIED HOME IMPROVEMENT LOANS ORIGINATED BY INCOME**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Year	Data Missing	Less than \$15,000	\$15,000- \$30,000	\$30,000- \$45,000	\$45,000 - \$60,000	\$60,000- \$75,000	More than \$75,000	Total
1999	.	2	13	16	18	21	24	94
2000	1	.	5	10	20	8	20	64
2001	.	3	4	8	11	10	25	61
2002	.	1	8	12	11	11	24	67
2003	.	.	7	9	2	11	11	40
2004	2	1	7	9	20	20	48	107
Total	3	7	44	64	82	81	152	433

**TABLE A.17**  
**HOME MORTGAGE DISCLOSURE ACT DATA**  
**OWNER OCCUPIED HOME IMPROVEMENT: AVERAGE LOAN AMOUNT**  
**CITY OF FLAGSTAFF: 1999 THROUGH 2004**

Income Range	Prime	Subprime	MFG Home
< \$15,000	23,000	7,000	.
\$15 - \$30,000	27,444	23,176	.
\$30 - \$45,000	24,756	17,286	40,500
\$45 - \$60,000	45,162	45,692	11,000
\$60 - \$75,000	32,549	56,600	.
> \$75,000	52,200	153,583	.



# APPENDIX B: DECENNIAL CENSUS DATA

**TABLE B.1**  
**POPULATION BY AGE AND GENDER**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF1 DATA**

Block Group	Less than 5 years	5 to 19 years	20 to 24 years	25 to 34 years	35 to 54 years	55 to 64 years	65 years and over	Total	Male	Female
1001	111	406	77	184	563	60	56	1,457	753	704
1002	10	81	10	20	137	35	17	310	160	150
1003	44	182	49	69	255	67	83	749	367	382
1004	62	304	47	114	367	133	146	1,173	553	620
2001	104	354	212	328	619	167	145	1,929	931	998
2002	81	238	235	299	437	88	64	1,442	709	733
3001	72	338	73	130	426	127	106	1,272	626	646
3002	303	785	307	501	623	100	153	2,772	1,381	1,391
3003	151	366	169	290	306	53	41	1,376	721	655
3004	134	320	155	275	342	40	55	1,321	700	621
4001	55	350	68	96	505	142	87	1,303	637	666
4002	67	242	75	132	302	77	77	972	477	495
4003	150	324	119	304	478	127	120	1,622	808	814
4004	99	338	67	157	228	52	63	1,004	458	546
4005	40	125	34	58	174	46	38	515	264	251
5001	60	212	47	110	270	62	38	799	402	397
5002	122	330	109	251	343	87	57	1,299	651	648
5003	56	190	56	130	143	29	26	630	296	334
5004	76	317	80	155	308	75	53	1,064	539	525
6001	42	187	27	43	317	131	91	838	416	422
6002	12	79	31	46	158	48	34	408	208	200
6003	31	141	34	46	216	82	54	604	279	325
6004	24	107	42	41	176	113	55	558	282	276
6005	133	307	65	202	543	177	123	1,550	760	790
6006	94	219	300	297	266	43	23	1,242	584	658
7001	49	214	61	90	284	59	24	781	385	396
7002	165	555	228	423	882	158	123	2,534	1,248	1,286
8001	36	86	120	144	102	20	38	546	277	269
8002	34	121	287	194	149	31	55	871	484	387
8003	9	42	8	22	36	11	17	145	89	56
8004	68	280	611	211	170	57	39	1,436	732	704
9001	39	88	89	102	110	21	12	461	239	222
9002	41	92	103	169	266	42	22	735	360	375
9003	137	281	338	365	347	60	65	1,593	784	809
10001	268	1,109	2,299	569	224	18	8	4,495	2,097	2,398
11001	55	152	213	175	178	31	42	846	477	369
11002	100	225	97	228	220	52	36	958	471	487
11003	125	469	1,299	620	464	99	165	3,241	1,602	1,639
11004	168	799	313	330	1,065	196	139	3,010	1,464	1,546
12001	61	199	276	443	425	60	87	1,551	792	759
12002	51	202	135	235	424	121	142	1,310	651	659
12003	4	12	36	53	37	6	6	154	101	53
13003	3	3	3	3	5	.	.	17	10	7
14002	.	.	.	.	.	.	.	.	.	.
14003	.	.	.	.	.	.	1	1	1	.
14005	.	.	.	.	.	.	.	.	.	.
15003	.	.	.	.	.	.	.	.	.	.
Flagstaff	3,546	11,771	9,004	8,654	13,890	3,203	2,826	52,894	26,226	26,668

**TABLE B.2**  
**POPULATION BY RACE AND ETHNICITY**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF1 DATA**

Block Group	Caucasian	African- American	American Indian & Alaska Native	Asian	Native Hawaiian & Other Pacific Islander	Some Other Race	Two or More Races	Total	Hispanic or Latino
1001	1,301	15	50	10	.	47	34	1,457	147
1002	287	5	9	1	.	2	6	310	14
1003	692	.	22	1	.	15	19	749	62
1004	976	10	121	6	6	23	31	1,173	94
2001	1,689	18	79	17	.	80	46	1,929	233
2002	1,182	26	137	27	3	30	37	1,442	121
3001	1,050	19	79	10	2	57	55	1,272	202
3002	1,460	66	636	13	3	446	148	2,772	1,173
3003	706	41	344	10	3	202	70	1,376	456
3004	852	21	185	27	3	203	30	1,321	555
4001	1,176	10	30	15	.	45	27	1,303	142
4002	685	46	94	10	7	85	45	972	163
4003	1,104	31	191	30	1	184	81	1,622	355
4004	593	27	278	10	.	60	36	1,004	222
4005	411	7	35	1	.	31	30	515	122
5001	630	6	76	.	.	65	22	799	144
5002	871	20	233	10	1	93	71	1,299	256
5003	337	10	200	1	.	68	14	630	154
5004	724	6	108	6	2	180	38	1,064	294
6001	802	4	8	11	.	4	9	838	33
6002	385	6	.	4	.	5	8	408	28
6003	565	.	7	6	.	9	17	604	34
6004	532	.	4	8	.	4	10	558	33
6005	1,460	5	7	31	.	18	29	1,550	72
6006	839	21	255	15	.	65	47	1,242	122
7001	689	4	29	22	.	29	8	781	73
7002	2,261	16	91	24	5	81	56	2,534	223
8001	410	14	15	7	.	81	19	546	250
8002	668	73	39	3	2	61	25	871	246
8003	69	.	23	.	.	46	7	145	71
8004	950	137	223	4	.	92	30	1,436	218
9001	338	14	63	3	2	25	16	461	64
9002	679	9	15	13	3	2	14	735	44
9003	1,205	42	180	20	3	91	52	1,593	232
10001	3,589	67	528	96	2	130	83	4,495	270
11001	569	36	97	25	.	85	34	846	261
11002	566	4	220	6	.	127	35	958	275
11003	2,592	32	323	63	10	131	90	3,241	476
11004	2,704	33	93	60	7	62	51	3,010	230
12001	1,335	15	71	9	.	89	32	1,551	208
12002	1,174	6	38	23	.	42	27	1,310	110
12003	98	5	39	2	.	6	4	154	12
13003	8	.	9	.	.	.	.	17	6
14002	.	.	.	.	.	.	.	.	.
14003	1	.	.	.	.	.	.	1	.
14005	.	.	.	.	.	.	.	.	.
15003	.	.	.	.	.	.	.	.	.
Flagstaff	41,214	927	5,284	660	65	3,201	1,543	52,894	8,500

**TABLE B.3  
DISABLED BY AGE**

**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	5 to 15 years	16 to 20 years	21 to 64 years	65 years and over	Total	Disability Rate
1001	.	.	76	37	113	8.31
1002	.	.	22	8	30	9.74
1003	.	.	41	8	49	6.99
1004	16	.	92	78	186	16.64
2001	21	15	139	52	227	12.33
2002	.	28	151	22	201	14.94
3001	16	10	43	6	75	6.27
3002	20	54	452	57	583	23.97
3003	35	16	216	20	287	21.88
3004	8	15	236	22	281	25.71
4001	8	8	65	28	109	8.97
4002	8	.	106	44	158	17.73
4003	7	68	312	57	444	29.88
4004	26	5	137	44	212	23.04
4005	.	.	55	21	76	15.45
5001	.	.	28	17	45	6.73
5002	.	9	149	23	181	15.63
5003	8	14	27	15	64	11.92
5004	60	27	161	62	310	27.03
6001	.	9	13	14	36	4.73
6002	.	.	56	5	61	14.91
6003	.	4	26	4	34	6.06
6004	.	.	47	28	75	14.53
6005	17	.	111	54	182	12.94
6006	9	11	135	17	172	14.20
7001	.	7	59	10	76	10.75
7002	10	34	168	61	273	11.36
8001	.	7	61	12	80	19.66
8002	.	17	101	26	144	16.92
8003	.	.	13	12	25	20.83
8004	9	79	279	34	401	27.32
9001	.	.	109	.	109	25.89
9002	4	.	104	20	128	21.73
9003	5	15	216	21	257	16.56
10001	16	127	308	.	451	10.78
11001	.	32	84	.	116	15.32
11002	.	42	110	8	160	18.91
11003	21	70	168	45	304	9.40
11004	53	21	143	40	257	9.36
12001	.	11	82	55	148	10.43
12002	23	4	82	74	183	13.67
12003	.	.	5	5	10	10.00
13003	.	.	7	.	7	100.00
14002	.	.	.	.	.	.
14003	.	.	.	.	.	.
14005	.	.	.	.	.	.
15003	.	.	.	.	.	.
Flagstaff	400	759	4,995	1,166	7,320	14.87

**TABLE B.4**  
**HOUSEHOLDS BY INCOME RANGE**

**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Less than \$10K	\$10- \$14.99K	\$15- \$19.99K	\$20- \$24.99K	\$25- \$34.99K	\$35- \$49.99K	\$50- \$74.99K	\$75- \$99.99K	\$100- \$149.99K	\$150K or more	Total House- holds
1001	5	4	26	7	31	88	201	62	17	14	455
1002	.	.	3	10	8	8	28	31	28	8	124
1003	12	13	13	.	20	40	75	42	35	8	258
1004	27	21	28	18	25	73	116	77	34	47	466
2001	36	6	45	57	105	196	215	87	60	8	815
2002	35	48	43	45	101	158	113	59	23	11	636
3001	6	58	6	7	23	39	63	96	77	27	402
3002	150	103	107	61	102	163	134	22	18	23	883
3003	45	54	63	61	113	102	67	19	.	.	524
3004	43	26	55	54	69	85	56	22	30	19	459
4001	9	.	24	10	19	17	82	131	84	38	414
4002	15	19	13	4	62	47	112	33	9	6	320
4003	51	46	62	63	84	128	131	52	31	.	648
4004	38	25	5	35	52	41	71	9	13	.	289
4005	9	16	17	.	16	21	40	44	.	14	177
5001	8	4	15	26	44	58	34	35	5	4	233
5002	12	9	26	34	102	159	64	47	8	12	473
5003	.	6	17	14	55	34	24	12	11	.	173
5004	24	11	30	23	67	58	71	43	23	4	354
6001	20	.	7	.	.	28	108	26	69	27	285
6002	.	.	16	.	19	14	36	13	38	18	154
6003	.	.	4	8	16	45	43	22	39	18	195
6004	.	24	6	5	23	41	27	37	32	32	227
6005	26	28	24	40	21	72	130	94	77	104	616
6006	102	66	72	62	119	124	45	12	23	16	641
7001	.	11	25	9	20	40	49	40	70	7	271
7002	51	28	22	42	183	178	260	129	71	28	992
8001	41	42	8	21	31	14	12	13	5	.	187
8002	77	70	13	33	81	35	9	16	.	.	334
8003	.	12	10	.	13	8	9	.	.	.	52
8004	202	126	37	68	37	81	16	16	18	.	601
9001	23	39	10	16	23	56	16	.	.	.	183
9002	24	15	12	14	41	47	51	34	28	16	282
9003	54	49	94	86	169	145	81	20	8	3	709
10001	266	79	148	77	152	64	81	6	.	.	873
11001	108	45	.	39	99	62	18	.	.	.	371
11002	18	21	48	65	51	137	64	10	9	.	423
11003	305	151	133	136	279	197	248	32	20	.	1,501
11004	43	.	54	48	67	108	150	261	159	72	962
12001	93	48	47	77	166	130	96	44	32	14	747
12002	43	12	31	58	74	105	107	37	75	37	579
12003	14	.	7	7	7	5	7	8	.	5	60
13003	.	.	.	.	.	7	.	.	.	.	7
14002	.	.	.	.	.	.	.	.	.	.	.
14003	.	.	.	.	.	.	.	.	.	.	.
14005	.	.	.	.	.	.	.	.	.	.	.
15003	.	.	.	.	.	.	.	.	.	.	.
Flagstaff	2,035	1,335	1,426	1,440	2,789	3,258	3,360	1,793	1,279	640	19,355

**TABLE B.5**  
**INDIVIDUALS IN POVERTY BY AGE**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Under 5	5 years	6 to 11 years	12 to 17 years	18 to 64 years	65 to 74 years	75 years and over	Total	Poverty Rate
1001	5	4	.	.	21	.	.	30	2.09
1002	.	.	9	.	14	8	.	31	9.54
1003	.	.	14	.	37	.	.	51	6.86
1004	19	.	7	20	48	8	.	102	8.59
2001	11	7	8	14	136	7	.	183	9.51
2002	4	.	5	.	174	.	6	189	13.29
3001	25	8	8	.	69	8	6	124	10.02
3002	189	32	117	102	339	37	.	816	29.76
3003	32	11	65	58	250	.	.	416	29.11
3004	17	.	12	17	110	15	.	171	13.79
4001	.	.	.	4	24	8	.	36	2.81
4002	5	.	7	.	23	.	.	35	3.62
4003	23	8	19	16	112	11	.	189	11.39
4004	21	6	73	34	101	.	.	235	24.25
4005	.	.	.	41	19	.	.	60	11.45
5001	21	.	39	.	61	.	.	121	15.98
5002	.	.	.	.	34	.	5	39	3.14
5003	.	.	64	20	27	.	.	111	19.47
5004	10	9	41	12	56	4	.	132	10.62
6001	4	.	7	5	31	.	.	47	5.93
6002	.	.	.	.	7	.	.	7	1.63
6003	.	.	.	.	18	.	.	18	3.03
6004	.	.	.	.	11	.	.	11	1.99
6005	.	.	.	.	43	.	.	43	2.85
6006	23	9	10	51	236	.	.	329	24.42
7001	12	.	13	5	67	.	.	97	13.02
7002	5	.	.	5	112	4	.	126	4.92
8001	.	.	6	22	77	.	.	105	24.53
8002	6	.	22	47	299	.	11	385	44.10
8003	.	.	.	.	11	.	.	11	8.59
8004	72	12	48	19	725	15	5	896	57.51
9001	17	.	11	.	143	.	.	171	34.20
9002	5	4	.	7	59	.	.	75	11.74
9003	48	.	.	30	301	.	.	379	22.36
10001	72	24	51	52	590	.	.	789	39.29
11001	38	.	10	56	340	.	.	444	56.63
11002	11	.	25	11	62	.	.	109	11.62
11003	31	.	14	49	915	.	12	1,021	29.85
11004	6	.	7	.	133	.	.	146	4.98
12001	.	.	10	18	244	.	.	272	18.76
12002	.	.	.	.	161	15	.	176	12.72
12003	.	.	.	.	23	.	.	23	23.00
13003	.	.	.	.	.	.	.	.	.
14002	.	.	.	.	.	.	.	.	.
14003	.	.	.	.	.	.	.	.	.
14005	.	.	.	.	.	.	.	.	.
15003	.	.	.	.	.	.	.	.	.
Flagstaff	732	134	722	715	6,263	140	45	8,751	17.41

**TABLE B.6**  
**INCIDENCE OF OVERCROWDING – OCCUPIED UNITS**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Owner-Occupied				Renter-Occupied				Total Occupied
	1.00 or less	1.01 to 1.50	1.51 or more	Total	1.00 or less	1.01 to 1.50	1.51 or more	Total	
1001	389	14	.	403	67	.	.	67	470
1002	105	.	.	105	7	.	.	7	112
1003	218	.	.	218	41	.	.	41	259
1004	352	.	.	352	94	13	5	112	464
2001	448	5	.	453	305	15	.	320	773
2002	204	5	.	209	438	15	23	476	685
3001	335	6	.	341	77	29	.	106	447
3002	213	48	23	284	522	76	35	633	917
3003	56	.	.	56	361	29	29	419	475
3004	94	15	27	136	274	14	12	300	436
4001	384	6	.	390	37	.	.	37	427
4002	224	7	.	231	81	.	.	81	312
4003	362	21	4	387	193	24	37	254	641
4004	143	11	8	162	118	12	6	136	298
4005	114	7	.	121	42	9	.	51	172
5001	193	.	.	193	29	.	13	42	235
5002	299	25	12	336	105	4	8	117	453
5003	136	13	.	149	32	.	7	39	188
5004	232	13	.	245	85	32	.	117	362
6001	274	5	.	279	21	.	.	21	300
6002	129	.	.	129	51	.	.	51	180
6003	166	.	.	166	35	9	.	44	210
6004	194	.	.	194	39	.	.	39	233
6005	473	14	.	487	123	.	.	123	610
6006	26	.	.	26	491	70	8	569	595
7001	189	.	6	195	50	.	.	50	245
7002	600	.	.	600	367	14	32	413	1,013
8001	34	.	.	34	173	.	24	197	231
8002	72	.	.	72	249	10	28	287	359
8003	21	14	.	35	8	.	.	8	43
8004	81	.	4	85	430	21	8	459	544
9001	18	.	.	18	192	13	.	205	223
9002	202	.	.	202	113	.	.	113	315
9003	216	.	.	216	463	9	.	472	688
10001	31	.	.	31	635	48	96	779	810
11001	44	.	.	44	302	.	47	349	393
11002	287	.	22	309	48	5	9	62	371
11003	169	.	.	169	1,135	69	141	1,345	1,514
11004	717	.	.	717	239	17	11	267	984
12001	224	.	.	224	513	.	15	528	752
12002	309	.	10	319	242	4	.	246	565
12003	6	.	.	6	50	.	7	57	63
13003	.	.	.	.	7	.	.	7	7
14002	.	.	.	.	.	.	.	.	.
14003	.	.	.	.	.	.	.	.	.
14005	.	.	.	.	.	.	.	.	.
15003	.	.	.	.	.	.	.	.	.
Flagstaff	8,983	229	116	9,328	8,884	561	601	10,046	19,374

**TABLE B.7  
UNSUITABLE HOUSING**

**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Owner-occupied		Renter-occupied	
	Lacking Complete Plumbing Facilities	Lacking Complete Kitchen Facilities	Lacking Complete Plumbing Facilities	Lacking Complete Kitchen Facilities
1001	.	.	.	.
1002	.	.	.	.
1003	.	.	.	.
1004	.	.	7	.
2001	.	.	.	.
2002	.	.	.	.
3001	.	.	.	.
3002	.	7	.	.
3003	.	.	.	10
3004	.	.	6	6
4001	.	.	.	.
4002	.	.	.	.
4003	.	.	7	7
4004	.	.	.	.
4005	.	.	.	.
5001	.	.	.	.
5002	.	.	.	5
5003	.	.	.	.
5004	.	.	.	.
6001	.	.	.	.
6002	.	.	.	.
6003	.	.	.	.
6004	.	.	.	.
6005	.	.	.	.
6006	.	.	.	.
7001	21	.	.	.
7002	.	.	.	.
8001	.	.	14	14
8002	.	.	.	.
8003	.	.	.	.
8004	.	.	.	.
9001	.	.	.	.
9002	.	.	.	.
9003	.	.	.	.
10001	.	.	.	6
11001	.	.	12	12
11002	9	22	.	.
11003	.	.	.	52
11004	.	.	.	.
12001	.	.	.	15
12002	.	.	.	.
12003	.	.	.	.
13003	.	.	.	.
14002	.	.	.	.
14003	.	.	.	.
14005	.	.	.	.
15003	.	.	.	.
Flagstaff	30	29	46	127

**TABLE B.8**  
**INCOME SPENT ON HOUSING – SPECIFIED RENTER-OCCUPIED UNITS**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Less than 30 percent	30 to 50 percent	50 percent or more	Not Computed	Total
1001	30	21	8	8	67
1002	7	.	.	.	7
1003	14	7	14	6	41
1004	64	35	8	5	112
2001	208	58	54	.	320
2002	277	116	83	.	476
3001	27	22	45	12	106
3002	306	132	186	9	633
3003	248	104	36	31	419
3004	190	63	26	21	300
4001	15	.	.	22	37
4002	50	23	8	.	81
4003	131	60	49	14	254
4004	57	46	26	7	136
4005	8	34	9	.	51
5001	29	6	7	.	42
5002	73	33	11	.	117
5003	14	6	15	4	39
5004	54	18	34	11	117
6001	15	.	6	.	21
6002	35	8	.	8	51
6003	38	6	.	.	44
6004	14	18	7	.	39
6005	62	26	27	8	123
6006	238	154	144	33	569
7001	22	11	11	6	50
7002	246	81	59	27	413
8001	76	55	59	7	197
8002	94	103	78	6	281
8003	.	.	.	8	8
8004	178	66	182	33	459
9001	112	33	44	16	205
9002	53	12	48	.	113
9003	206	143	97	26	472
10001	347	136	189	107	779
11001	145	58	98	48	349
11002	.	19	23	20	62
11003	607	292	389	57	1,345
11004	101	98	49	19	267
12001	269	138	81	40	528
12002	103	74	52	17	246
12003	36	7	14	.	57
13003	7	.	.	.	7
14002	.	.	.	.	.
14003	.	.	.	.	.
14005	.	.	.	.	.
15003	.	.	.	.	.
Flagstaff	4,806	2,322	2,276	636	10,040

**TABLE B.9**  
**INCOME SPENT ON HOUSING – SPECIFIED OWNER OCCUPIED UNITS WITH**  
**A MORTGAGE**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Less than 30 percent	30 to 50 percent	50 percent or more	Not Computed	Total
1001	264	69	38	.	371
1002	56	8	10	.	74
1003	140	12	5	.	157
1004	164	33	29	.	226
2001	204	61	30	.	295
2002	91	15	7	.	113
3001	243	30	11	.	284
3002	109	24	19	.	152
3003	24	9	.	.	33
3004	35	.	7	.	42
4001	286	47	7	.	340
4002	85	24	20	.	129
4003	202	61	24	.	287
4004	85	10	24	.	119
4005	88	12	.	.	100
5001	101	42	23	.	166
5002	98	7	.	.	105
5003	.	.	.	.	.
5004	28	31	.	.	59
6001	178	30	20	.	228
6002	93	.	18	.	111
6003	87	27	5	.	119
6004	92	22	22	.	136
6005	278	57	52	.	387
6006	10	.	.	.	10
7001	108	20	6	.	134
7002	376	62	39	.	477
8001	16	.	.	.	16
8002	11	.	8	.	19
8003	.	6	.	.	6
8004	17	14	11	.	42
9001	12	.	.	.	12
9002	103	28	9	.	140
9003	130	33	.	.	163
10001	.	.	.	.	.
11001	18	.	.	.	18
11002	27	9	.	.	36
11003	60	.	31	.	91
11004	415	103	27	.	545
12001	85	31	.	.	116
12002	162	39	5	.	206
12003	.	.	.	.	.
13003	.	.	.	.	.
14002	.	.	.	.	.
14003	.	.	.	.	.
14005	.	.	.	.	.
15003	.	.	.	.	.
Flagstaff	4,581	976	507	.	6,064

**TABLE B.10**  
**INCOME SPENT ON HOUSING – SPECIFIED OWNER OCCUPIED UNITS**  
**WITHOUT A MORTGAGE**  
**CITY OF FLAGSTAFF BY CENSUS BLOCK GROUP, 2000 CENSUS, SF3 DATA**

Block Group	Less than 30 percent	30 to 50 percent	50 percent or more	Not Computed	Total
1001	26	.	.	.	26
1002	31	.	.	.	31
1003	56	.	5	.	61
1004	114	.	.	.	114
2001	117	7	.	.	124
2002	22	.	.	.	22
3001	25	.	9	.	34
3002	64	.	.	8	72
3003	7	9	.	.	16
3004	23	.	.	.	23
4001	45	.	5	.	50
4002	61	.	.	.	61
4003	42	5	.	.	47
4004	23	.	.	.	23
4005	21	.	.	.	21
5001	23	.	.	.	23
5002	10	.	.	.	10
5003	.	.	.	.	.
5004	4	.	.	.	4
6001	44	.	.	7	51
6002	18	.	.	.	18
6003	25	.	.	.	25
6004	37	8	.	.	45
6005	60	9	.	.	69
6006	16	.	.	.	16
7001	7	.	.	.	7
7002	89	.	.	.	89
8001	.	.	.	.	.
8002	22	7	7	.	36
8003	.	.	.	.	.
8004	29	7	.	.	36
9001	6	.	.	.	6
9002	24	.	.	.	24
9003	12	.	.	.	12
10001	.	.	.	.	.
11001	26	.	.	.	26
11002	.	.	.	.	.
11003	.	.	.	.	.
11004	150	.	.	.	150
12001	56	.	.	.	56
12002	94	.	7	7	108
12003	6	.	.	.	6
13003	.	.	.	.	.
14002	.	.	.	.	.
14003	.	.	.	.	.
14005	.	.	.	.	.
15003	.	.	.	.	.
Flagstaff	1,435	52	33	22	1,542

## APPENDIX C: FEDERAL & STATE FAIR HOUSING LAWS

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### FEDERAL FAIR HOUSING ACT OF 1968

Title VIII of the Civil Rights Act of 1968 is known as the Fair Housing Act. The Act, as amended in 1974 and 1988, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status, and disability. These seven classifications are collectively termed federally protected classes. The federal familial status provision protects children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

Three significant changes to the Fair Housing Act were made recently.<sup>26</sup> These changes are described briefly as follows:

1. The Housing for Older People Act of 1995 (HOPA) made several changes to the 55 and older exemption. Since the 1988 Amendments, the Fair Housing Act has exempted from its familial status provisions properties that satisfy the Act's 55 and older housing condition.  
First, HOPA eliminated the requirement that 55 and older housing have “significant facilities and services” designed for the elderly. Second, HOPA established a “good faith reliance” immunity from damages for people who in good faith believe that the 55 and older exemption applies to a particular property, if they do not actually know that the property is not eligible for the exemption and if the property formally stated in writing that it qualifies for the exemption.
2. Changes were made in the Act to enhance law enforcement, including making amendments to criminal penalties in section 901 of the Civil Rights Act of 1968 for violating the Fair Housing Act.
3. Changes were made to provide incentives for self-testing by lenders for discrimination under the Fair Housing Act and the Equal Credit Opportunity Act. See Title II, subtitle D of the Omnibus Consolidated Appropriations Act, 1997, P.L. 104 - 208 (9/30/96).

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

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<sup>26</sup> Information available at <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

The Act in its entirety may be found online at <http://www.usdoj.gov/crt/housing/title8.htm>. The Fair Housing Act and its amendments refer to a number of prohibited actions. These actions are summarized briefly in the following pages:<sup>27</sup>

**In the Sale and Rental of Housing:** No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or disability:

- Refuse to rent or sell housing;
- Refuse to negotiate for housing;
- Make housing unavailable;
- Deny a dwelling;
- Set different terms, conditions or privileges for sale or rental of a dwelling;
- Provide different housing services or facilities;
- Falsely deny that housing is available for inspection, sale, or rental;
- For profit, persuade owners to sell or rent (blockbusting); or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

**In Mortgage Lending:** No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or disability:

- Refuse to make a mortgage loan;
- Refuse to provide information regarding loans;
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees;
- Discriminate in appraising property;
- Refuse to purchase a loan; or
- Set different terms or conditions for purchasing a loan.

**In Addition:** It is illegal for anyone to do the following:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right; or
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

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<sup>27</sup> *Ibid.*

**Additional Protection if You Have a Disability:** If you or someone associated with you:

- Have a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities;
- Have a record of such a disability; or
- Are regarded as having such a disability,

Your landlord may not:

- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move).
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

**Requirements for New Buildings:** In buildings that are ready for first occupancy after March 13, 1991, and have an elevator and four or more units:

- Public and common areas must be accessible to people with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
  - a) An accessible route into and through the unit;
  - b) Accessible light switches, electrical outlets, thermostats and other environmental controls;
  - c) Reinforced bathroom walls to allow later installation of grab bars; and,
  - d) Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units. These requirements for new buildings do not replace any more stringent standards in state or local law.

**Housing Opportunities for Families:** Unless a building or community qualifies as housing for older people, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age of 18 live with:

- A parent;
- A person who has legal custody of the child or children; or,

- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Housing for older people is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly people under a Federal, State or local government program; or
- It is occupied solely by people who are 62 or older; or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house people who are 55 or older.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

## ADDITIONAL FEDERAL LAWS

Since the 1970s, the federal government has enacted several other laws that are aimed specifically at promoting fair lending practices in the banking and financial services industries. Although the record generally is improving, discriminatory lending practices have not been eliminated entirely.

A brief description of federal laws aimed at promoting fair lending follows:

- Equal Credit Opportunity Act (ECOA): Passed in 1974, the ECOA prohibits discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance, or the exercise of any right under the Consumer Credit Protection Act.<sup>28</sup>
- Home Mortgage Disclosure Act (HMDA): In 1975, Congress enacted the HMDA, then amended the act from 1988 through 1991. Under the act, financial institutions are required to report the race, sex, and income of mortgage applicants and borrowers by Census tract. Examination of HMDA data can reveal if loans are denied at higher rates for certain races, for example. A substantive analysis of HMDA data for the City of Flagstaff is contained in this report.
- Community Reinvestment Act (CRA): The CRA was enacted in 1977 to require each federal financial supervisory agency to encourage financial institutions to help meet the

<sup>28</sup> *Closing the Gap: A Guide to Equal Opportunity Lending*, The Federal Reserve Bank of Boston, April 1993.

credit needs of their entire community, including low- and moderate-income neighborhoods within those communities. New regulations went into effect at the beginning of 1996.

- Americans with Disabilities Act (ADA): Passed in 1990, the ADA prohibits discrimination against people with disabilities in the provision of goods as well as services, including credit services.
- Fair Lending – Best Practices Agreements: HUD has been working with the lending industry to promote these agreements. The agreements represent voluntary efforts to improve individual bank performance in providing homeownership opportunities to minorities and low-income people by eliminating discriminatory barriers.

Detailed information about individual banks is available. All banking institutions in the United States fall under one of the following four federal regulatory agencies: the Office of the Comptroller of the Currency, the Federal Reserve System, the Office of Thrift Supervision, or the Federal Deposit Insurance Corporation.

## STATE OF ARIZONA FAIR HOUSING ACT<sup>29</sup>

### 41-1491. Definitions

In this article, unless the context otherwise requires:

1. "Aggrieved person" includes any person who either:
  - (a) Claims to have been injured by a discriminatory housing practice.
  - (b) Believes that he will be injured by a discriminatory housing practice that is about to occur.
2. "Complainant" means a person, including the attorney general, who files a complaint under section 41-1491.22.
3. "Conciliation" means the attempted resolution of issues raised by a complaint or by the investigation of the complaint through informal negotiations involving the aggrieved person, the respondent and the attorney general.
4. "Conciliation agreement" means a written agreement setting forth the resolution of the issues in conciliation.
5. "Disability" means a mental or physical impairment that substantially limits at least one major life activity, a record of such an impairment or being regarded as having such an impairment. Disability does not include current illegal use of or addiction to any drug or

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<sup>29</sup> Source: <http://www.keytlaw.com/leasinglaw/afha.htm>

illegal or federally controlled substance. Disability shall be defined as the term is defined by the Americans with disabilities act of 1990 (P.L. 101-336).

6. "Discriminatory housing practice" means an act prohibited by sections 41-1491.14 through 41-1491.21.

7. "Dwelling" means either:

- (a) Any building, structure or part of a building or structure that is occupied as, or designed or intended for occupancy as, a residence by one or more families.
- (b) Any vacant land that is offered for sale or lease for the construction or location of a building, structure or part of a building or structure described by subdivision (a) of this paragraph.

8. "Family" includes a single individual.

9. "Person" means one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint stock companies, trusts, unincorporated organizations, trustees, receivers, fiduciaries, banks, credit unions and financial institutions.

10. "Respondent" means either:

- (a) The person accused of a violation of this article in a complaint of a discriminatory housing practice.
- (b) Any person identified as an additional or substitute respondent under section 41-1491.25 or an agent of an additional or substitute respondent.

11. "To rent" includes to lease, to sublease, to let or to otherwise grant for a consideration the right to occupy premises not owned by the occupant.

#### *41-1491.01. Discrimination due to familial status*

In this article, a discriminatory act is committed because of familial status if the act is committed because the person who is the subject of discrimination is:

1. Pregnant.

2. Domiciled with an individual younger than eighteen years of age in regard to whom the person either:

- (a) Is the parent or legal custodian.
- (b) Has the written permission of the parent or legal custodian for domicile with that person.

3. In the process of obtaining legal custody of an individual younger than eighteen years of age.

#### 41-1491.02. Exempt sales and rentals

A. Except as provided in subsection B of this section, sections 41-1491.14 through 41-1491.21 do not apply to:

1. The sale or rental of a single family house sold or rented by an owner if:

(a) The owner does not:

(i) Own more than three single family houses at any one time.

(ii) Own any interest in, nor is there owned or reserved on his behalf, under any express or voluntary agreement, title to or any right to any part of the proceeds from the sale or rental of more than three single family houses at any one time.

(b) The house was sold or rented without either:

(i) The use of the sales or rental facilities or services of a real estate broker, agent or salesman licensed under title 32, chapter 20 or the use of an employee or agent of a licensed broker, agent or salesman or the facilities or services of the owner of a dwelling designed or intended for occupancy by five or more families.

(ii) The publication, posting or mailing of a notice, statement or advertisement prohibited by section 41-1491.15.

2. The sale or rental of rooms or units in a dwelling containing living quarters occupied or intended to be occupied by no more than four families living independently of each other if the owner maintains and occupies one of the living quarters as the owner's residence.

B. The exemption in subsection A, paragraph 1 of this section applies to only one sale or rental in a twenty-four month period if the owner was not the most recent resident of the house at the time of the sale or rental.

#### 41-1491.03. Religious organization and private club exemption

A. This article does not prohibit a religious organization, association or society or a nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association or society from:

1. Limiting the sale, rental or occupancy of dwellings that it owns or operates for other than a commercial purpose to persons of the same religion.

2. Giving preference to persons of the same religion, unless membership in the religion is restricted because of race, color or national origin.

B. This article does not prohibit a private club that is not open to the public and that, as an incident to its primary purpose, provides lodging that it owns or operates for other than a commercial purpose from limiting the rental or occupancy of that lodging to its members or from giving preference to its members.

*41-1491.04. Housing for older persons exempted; rules; liability; definition*

A. The provisions of this article relating to familial status do not apply to housing for older persons.

B. The attorney general may adopt rules setting forth criteria for housing for older persons. The rules adopted for subsection D, paragraph 3 shall require the following factors:

1. That at least eighty per cent of the units are occupied by at least one person fifty-five years of age or older per unit. Rules adopted for verification of occupancy shall provide for the use of reliable surveys and affidavits. These surveys and affidavits are admissible in administrative and judicial proceedings. Rules adopted establishing compliance with this paragraph shall be consistent with federal fair housing regulations.

2. The publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for persons fifty-five years of age or older. Rules adopted establishing compliance with this paragraph shall be consistent with federal fair housing regulations.

C. A person shall not be held personally liable for monetary damages under section 41-1491.31 if the person relied in good faith that the housing was exempt from this article because it was housing for older persons as defined under subsection D, paragraph 3 of this section. For the purposes of this subsection a person may only demonstrate good faith reliance on the exemption from the provisions of this article if both:

1. The person has no actual knowledge that the facility or community does not, or will not qualify as housing for older persons as defined under subsection D, paragraph 3 of this section.

2. The facility or community has formally stated in writing that the facility or community is housing for older persons as defined under subsection D, paragraph 3 of this section.

D. In this section, "housing for older persons" means housing that meets any of the following conditions:

1. Is specifically designed and operated to assist elderly persons under a federal or state program.

2. Is intended for, and solely occupied by, persons sixty-two years of age or older.

3. Is intended and operated for occupancy by at least one person fifty-five years of age or older per unit.

*41-1491.05. Appraisal exemption*

This article does not prohibit a person engaged in the business of furnishing appraisals of real property from taking into consideration factors other than race, color, religion, sex, disability, familial status or national origin.

*41-1491.06. Effect on other law*

A. This article does not affect a reasonable local or state restriction on the maximum number of occupants permitted to occupy a dwelling or a restriction relating to health or safety standards.

B. This article does not affect a requirement of nondiscrimination in any other state or federal law.

C. Nothing in this article prohibits cities or towns with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census from enacting ordinances, not later than January 1, 1995, that are substantially equivalent to the provisions of federal law and this article.

*41-1491.07. Administration by attorney general*

The attorney general shall administer this article.

*41-1491.08. Rules*

The attorney general may adopt interpretive and procedural rules necessary to implement this article.

*41-1491.09. Complaints*

The attorney general shall receive, investigate, seek to conciliate and act on complaints alleging violations of this article.

*41-1491.10. Reports; studies*

A. The attorney general shall publish annually a written report recommending legislative or other action to carry out the purposes of this article. This report shall contain, for the preceding fiscal year, the following information:

1. The number of complaints initiated by the attorney general.
2. The number of complaints filed with the attorney general by aggrieved persons.
3. The number of complaints dismissed by the attorney general.

4. The number of complaints that resulted in conciliation agreements.
  5. The number of complaints for which the attorney general found reasonable cause that a discriminatory housing practice occurred or was about to occur.
  6. The number of civil actions filed by the attorney general pursuant to section 41-1491.34.
- B. The report shall include a description of the relief awarded in civil actions and, without attribution, benefits to complainants agreed to in conciliation agreements. The report shall also include the number of instances in the preceding fiscal year, and the reasons therefor, but without attribution to parties, the number of investigations that were not completed within the time periods provided by section 41-1491.24, subsection B or a determination made pursuant to section 41-1491.29, subsection B.
- C. The attorney general may make studies relating to the nature and extent of discriminatory housing practices in this state.

*41-1491.11. Cooperation with other entities*

The attorney general shall cooperate with federal fair housing agencies and, as appropriate, may provide technical and other assistance to federal, state, local and other public or private entities that are formulating or operating programs to prevent or eliminate discriminatory housing practices. Nothing in this article shall be interpreted as prohibiting a political subdivision of this state from administering fair housing projects or cities or towns with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census from adopting a fair housing ordinance.

*41-1491.12. Subpoenas; discovery*

The attorney general may issue subpoenas and compel the production of documents and the giving of testimony, as provided by section 41-1403.

*41-1491.13. Referral to city or town*

A. The attorney general may defer proceedings under this article and refer a complaint to a city or town with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census that has been recognized by the United States department of housing and urban development as having adopted ordinances providing fair housing rights and remedies that are substantially equivalent to those granted under federal law and this article and that has entered into an intergovernmental agreement with the attorney general.

B. For a city or town with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census to be eligible to implement the provisions of this article it shall adopt a fair housing ordinance by January 1, 1995.

C. If the substantial equivalency status is revoked or decertified by the United States department of housing and urban development, the attorney general shall assume sole responsibility for the implementation and enforcement of this article.

*41-1491.14. Discrimination in sale or rental*

A. A person may not refuse to sell or rent after a bona fide offer has been made or refuse to negotiate for the sale or rental of or otherwise make unavailable or deny a dwelling to any person because of race, color, religion, sex, familial status or national origin.

B. A person may not discriminate against any person in the terms, conditions or privileges of sale or rental of a dwelling, or in providing services or facilities in connection with the sale or rental, because of race, color, religion, sex, familial status or national origin.

C. This section does not prohibit discrimination against a person because the person has been convicted under federal law or the law of any state of the illegal manufacture or distribution of a controlled substance.

*41-1491.15. Publication of sales or rentals*

A person may not make, print or publish or cause to be made, printed or published any notice, statement or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation or discrimination based on race, color, religion, sex, disability, familial status or national origin or an intention to make such a preference, limitation or discrimination.

*41-1491.16. Inspection of dwelling*

A person may not represent to any person because of race, color, religion, sex, disability, familial status or national origin that a dwelling is not available for inspection for sale or rental if the dwelling is available for inspection.

*41-1491.17. Entry into neighborhood*

A person, for profit, may not induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry or prospective entry into a neighborhood of a person of a particular race, color, religion, sex, disability, familial status or national origin.

*41-1491.18. Prohibition of intimidation*

A person may not coerce, intimidate, threaten or interfere with any person in the exercise or enjoyment of, or having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or

protected by this section and sections 41-1491.14, 41-1491.15, 41-1491.16, 41-1491.17, 41-1491.19, 41-1491.20 and 41-1491.21.

*41-1491.19. Discrimination due to disability; definitions*

A. A person may not discriminate in the sale or rental or otherwise make unavailable or deny a dwelling to any buyer or renter because of a disability of:

1. That buyer or renter.
2. A person residing in or intending to reside in that dwelling after it is sold, rented or made available.
3. A person associated with that buyer or renter.

B. A person may not discriminate against any person in the terms, conditions or privileges of sale or rental of a dwelling or in the provision of services or facilities in connection with the dwelling because of a disability of:

1. That person.
2. A person residing in or intending to reside in that dwelling after it is so sold, rented or made available.
3. A person associated with that person.

C. Nothing in this section requires that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others.

D. Compliance with the appropriate requirements of the fair housing accessibility guidelines established by the United States department of housing and urban development satisfies the requirements of subsection E, paragraph 3, subdivision (c).

E. For the purposes of this section, "discrimination" includes:

1. A refusal to permit, at the expense of the disabled person, reasonable modifications of existing premises occupied or to be occupied by the person if the modifications may be necessary to afford the person full enjoyment of the premises, provided that, in the case of a renter, the landlord may, where it is reasonable to do so, condition permission for a modification on the renter agreeing, to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted.

2. A refusal to make reasonable accommodations in rules, policies, practices or services if the accommodations may be necessary to afford the person equal opportunity to use and enjoy a dwelling.

3. In connection with the design and construction of covered multifamily dwellings for first occupancy after the date that is thirty months after the date of enactment of the federal fair housing amendments act of 1988 (P.L. 100-430), a failure to design and construct those dwellings in a manner that includes all of the following:

- (a) The public use and common use portions of the dwellings are readily accessible to and usable by disabled persons.
- (b) All the doors designed to allow passage into and within all premises within the dwellings are sufficiently wide to allow passage by disabled persons in wheelchairs.
- (c) All premises within the dwellings contain the following features of adaptive design:
  - (i) An accessible route into and through the dwelling.
  - (ii) Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.
  - (iii) Reinforcements in bathroom walls to allow later installation of grab bars.
  - (iv) Usable kitchens and bathrooms so that an individual in a wheelchair can maneuver about the space.

F. As used in this section, "covered multifamily dwellings" means buildings consisting of four or more units if the buildings have one or more elevators and ground floor units in other buildings consisting of four or more units.

#### 41-1491.20. Residential real estate related transaction; definition

A. A person whose business includes engaging in residential real estate related transactions may not discriminate against a person in making a real estate related transaction available or in the terms or conditions of a real estate related transaction because of race, color, religion, sex, disability, familial status or national origin.

B. In this section, "residential real estate related transaction" means:

- 1. Making or purchasing loans or providing other financial assistance either:
  - (a) To purchase, construct, improve, repair or maintain a dwelling.
  - (b) To secure residential real estate.
- 2. Selling, brokering or appraising residential real property.

#### 41-1491.21. Brokerage services

A person may not deny any person access to, or membership or participation in, a multiple listing service, real estate brokers' organization or other service, organization or facility

relating to the business of selling or renting dwellings or may not discriminate against a person in the terms or conditions of access, membership or participation in such an organization, service or facility because of race, color, religion, sex, disability, familial status or national origin.

#### *41-1491.22. Complaints*

A. The attorney general shall investigate alleged discriminatory housing practices. The attorney general, on his own initiative, may file such a complaint.

B. A complaint shall be in writing, under oath and in the form prescribed by the attorney general.

C. An aggrieved person may file, not later than one year after an alleged discriminatory housing practice has occurred or terminated, whichever is later, a complaint with the attorney general alleging the discriminatory housing practice.

D. Not later than one year after an alleged discriminatory housing practice has occurred or terminated, whichever is later, the attorney general may file his own complaint.

E. A complaint may be amended at any time.

F. On the filing of a complaint the attorney general shall:

1. Give the aggrieved person notice that the complaint has been received.
2. Advise the aggrieved person of the time limits and choice of forums under this article.
3. Not later than twenty days after the filing of the complaint or the identification of an additional respondent under section 41-1491.25 serve on each respondent:
  - (a) A notice identifying the alleged discriminatory housing practice and advising the respondent of the procedural rights and obligations of a respondent under this article.
  - (b) A copy of the original complaint.

G. Notices and other documents required to be served under this article may be served as provided by section 41-1403, subsection B, paragraph 4.

#### *41-1491.23. Answer to complaint*

A. Not later than ten days after receipt of the notice and copy under section 41-1491.22, subsection F, paragraph 3, a respondent may file an answer to the complaint.

B. The answer shall be in writing, under oath and in the form prescribed by the attorney general.

- C. An answer may be amended at any time.
- D. An answer does not inhibit the investigation of a complaint.

#### *41-1491.24. Investigation*

- A. If the federal government has referred a complaint to the attorney general or has deferred jurisdiction over the subject matter of the complaint to the attorney general, and if the attorney general has accepted the referral or deferral, the attorney general shall promptly investigate the allegations set forth in the complaint.
- B. The attorney general shall investigate all complaints and, except as provided by subsection C, shall complete an investigation not later than one hundred days after the date the complaint is filed, or if it is unable to complete the investigation within this period, shall dispose of all proceedings related to the investigation not later than one year after the date the complaint is filed.
- C. If the attorney general is unable to complete an investigation within the time periods prescribed by subsection B, the attorney general shall notify the complainant and the respondent in writing of the reasons for the delay.

#### *41-1491.25. Additional or substitute respondent*

- A. The attorney general may join a person not named in the complaint as an additional or substitute respondent if in the course of the investigation the attorney general determines that the person should be accused of a discriminatory housing practice.
- B. In addition to the information required in the notice under section 41-1491.22, subsection F, paragraph 3, the attorney general shall include in a notice to a respondent joined under this section an explanation of the basis for the determination that the person is properly joined as a respondent.

#### *41-1491.26. Conciliation*

- A. The attorney general shall engage, to the extent feasible, in conciliation, including, if appropriate, mediation, with respect to the complaint.
- B. A conciliation agreement is an agreement between a respondent and the complainant and is subject to approval by the attorney general.
- C. A conciliation agreement may provide for binding arbitration or another method of dispute resolution. Dispute resolution that results from a conciliation agreement may authorize appropriate relief, including monetary relief.

D. A conciliation agreement shall not be made public unless all parties agree to the disclosure or the attorney general determines that disclosure is necessary to further the purposes of this article.

E. Nothing said or done in the course of conciliation may be made public or used as evidence in a subsequent proceeding under this article without the written consent of the persons concerned.

F. Materials in the investigative file may be disclosed to the parties to the extent reasonably necessary to further the investigation or conciliation discussions. Materials in the investigative file may be disclosed to the complainant for the purpose of deciding whether to file a complaint in court and may be disclosed to the respondent for the purpose of formulating its answer. After a court action has been filed, information derived from the investigation and the final investigation report relating to the investigation shall be subject to discovery.

*41-1491.27. Temporary or preliminary relief*

If the attorney general concludes at any time after the filing of a complaint that prompt judicial action is necessary to carry out the purposes of this article, the attorney general may file a civil action for appropriate temporary or preliminary relief pending final disposition of the complaint.

*41-1491.28. Investigative reports*

A. The attorney general shall prepare a final investigative report showing:

1. The names and dates of contacts with witnesses.
2. A summary of correspondence and other contacts with the aggrieved person and the respondent showing the dates of the correspondence and contacts.
3. A summary description of other pertinent records.
4. A summary of witness statements.
5. Answers to interrogatories.

B. A final report under this section may be amended if additional evidence is discovered.

*41-1491.29. Reasonable cause determination*

A. The attorney general shall determine based on the facts whether reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur.

B. The attorney general shall make the determination under subsection A of this section not later than one hundred days after the date a complaint is filed unless either:

1. It is impracticable to make the determination.
2. The attorney general has approved a conciliation agreement relating to the complaint.

C. If it is impracticable to make the determination within the time period provided by subsection B of this section, the attorney general shall notify the complainant and respondent in writing of the reasons for the delay.

D. If the attorney general determines that reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur, the attorney general shall attempt for a period of not more than thirty days to effectuate a conciliation agreement. If no conciliation agreement has been reached after thirty days, the attorney general shall file a civil action in superior court, as provided in section 41-1491.34.

#### *41-1491.30. Dismissal of complaint*

If the attorney general determines that no reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur, the attorney general shall promptly dismiss the complaint and give written notice of the dismissal to the complainant and respondent.

#### *41-1491.31. Civil action*

A. An aggrieved person may file a civil action in superior court not later than two years after the occurrence of the termination of an alleged discriminatory housing practice or the breach of a conciliation agreement entered into under this article, whichever occurs last, to obtain appropriate relief with respect to the discriminatory housing practice or breach.

B. The two year period does not include any time elapsed between the filing of any court procedure to enforce an administrative subpoena and is not jurisdictional but is a statute of limitations subject to principles of estoppel, tolling and waiver.

C. An aggrieved person may file an action under this section whether or not a complaint has been filed under section 41-1491.22 and without regard to the status of any complaint filed under section 41-1491.22. The filing of an action under this section does not affect the attorney general's power and duty to investigate and make determinations based on the aggrieved person's administrative complaint.

D. If the attorney general has obtained a conciliation agreement with the consent of an aggrieved person, the aggrieved person may not file an action under this section with respect to the alleged discriminatory housing practice that forms the basis for the complaint except to enforce the terms of the agreement.

E. An aggrieved person may intervene in a civil action filed by the attorney general and based on that person's administrative complaint.

F. The rights granted by 42 United States Code sections 3603, 3604, 3605 and 3606 may be enforced in any civil action brought pursuant to this section.

*41-1491.32. Court appointed attorney*

On application by a person alleging a discriminatory housing practice or by a person against whom a discriminatory housing practice is alleged, the superior court may appoint an attorney for the person.

*41-1491.33. Relief granted*

In an action under section 41-1491.31, if the superior court finds that a discriminatory housing practice has occurred or is about to occur, the court may award to the plaintiff:

1. Actual and punitive damages.
2. Reasonable attorney fees.
3. Court costs.
4. A permanent or temporary injunction, temporary restraining order or other order, including an order enjoining the defendant from engaging in the practice or ordering appropriate affirmative action.

*41-1491.34. Civil action by attorney general*

A. If the attorney general finds cause to believe that a discriminatory housing practice has occurred or is about to occur, and there is no conciliation agreement within thirty days, the attorney general shall immediately file a civil action on behalf of the complainant in superior court against the respondent.

B. If the attorney general finds reasonable cause to believe that a party has breached a conciliation agreement, the attorney general shall file a civil action for enforcement of the agreement.

C. In an action under this section, the court may award on behalf of the complainant actual and punitive damages and may issue a permanent or temporary injunction, temporary restraining order or other order, including an order enjoining the defendant from engaging in the practice or ordering affirmative action, and may award court costs to the attorney general.

D. A person aggrieved by the alleged discriminatory housing practice or damaged by the alleged breach of the conciliation agreement may intervene in a civil action brought under this section.

*41-1491.35. Pattern or practice cases*

A. The attorney general may file a civil action in superior court for appropriate relief if the attorney general has reasonable cause to believe that either:

1. A person is engaged in a pattern or practice of resistance to the full enjoyment of any right granted by this article.
2. A person has been denied any right granted by this article and that denial raises an issue of general public importance.

B. In an action under this section the court may:

1. Award preventive relief, including a permanent or temporary injunction, restraining order or other order against the person responsible for a violation of this article as necessary to assure the full enjoyment of the rights granted by this article.
2. Award other appropriate relief, including monetary damages, reasonable attorney fees and court costs.
3. To vindicate the public interest, assess a civil penalty against the respondent in an amount that does not exceed:
  - (a) Fifty thousand dollars for a first violation.
  - (b) One hundred thousand dollars for a second or subsequent violation.

*41-1491.36. Prevailing party; fees and costs*

A court in a civil action brought under this article shall award reasonable attorney fees and costs to a prevailing plaintiff, except to the attorney general in an action brought under section 41-1491.33. The court shall not award attorney fees to a prevailing defendant unless the plaintiff's complaint was frivolous, unreasonable or without foundation.

*41-1491.37. Superior court enforcement; local fair housing*

A. The superior court has jurisdiction to enforce a local fair housing ordinance with provisions substantially equivalent to the provisions of federal law and this article.

B. An incorporated city or town with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census that has a fair housing ordinance may file an action in superior court to enforce the ordinance.

# STATE OF ARIZONA LANDLORD/TENANT ACT<sup>30</sup>

## ARTICLE 1. GENERAL PROVISIONS

### 33-1301. Short title

This chapter shall be known and may be cited as the Arizona residential landlord and tenant act.

### 33-1302. Purposes

Underlying purposes and policies of this chapter are:

1. To simplify, clarify, modernize and revise the law governing the rental of dwelling units and the rights and obligations of landlord and tenant.
2. To encourage landlord and tenant to maintain and improve the quality of housing.

### 33-1303. Supplementary principles of law applicable

Unless displaced by the provisions of this chapter, the principles of law and equity, including the law relating to capacity to contract, mutuality of obligations, principal and agent, real property, public health, safety and fire prevention, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy or other validating or invalidating cause supplement its provisions.

### 33-1304. Applicability of chapter

This chapter shall apply to the rental of dwelling units. Any conflict between the provisions of chapter 3 and chapter 7 of this title with the provisions of this chapter shall be governed by the provisions of this chapter.

### 33-1305. Administration of remedies; enforcement

**A.** The remedies provided by this chapter shall be so administered that the aggrieved party may recover appropriate damages. The aggrieved party has a duty to mitigate damages.

**B.** Any right or obligation declared by this chapter is enforceable by action unless the provision declaring it specifies a different and limited effect.

### 33-1306. Settlement of disputed claim or right

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<sup>30</sup> [www.azsos.gov](http://www.azsos.gov)

A claim or right arising under this chapter or on a rental agreement, if disputed in good faith, may be settled by agreement.

### **33-1307. Territorial application**

This chapter applies to, regulates, and determines rights, obligations and remedies under a rental agreement, wherever made, for a dwelling unit located within this state.

### **33-1308. Exclusions from application of chapter**

Unless created to avoid the application of this chapter, the following arrangements are not covered by this chapter:

1. Residence at an institution, public or private, if incidental to detention, the provision of medical, educational, counseling or religious services or the provision of a social service program that is provided by a social service provider. For the purposes of this paragraph, "social service provider" means a private entity that directly assists an individual or family in obtaining housing and that offers to provide the individual or family with assistance in obtaining employment, child care, health care, education, skills training, transportation, counseling or any other related service.
2. Occupancy under a contract of sale of a dwelling unit or the property of which it is a part, if the occupant is the purchaser or a person who succeeds to his interest.
3. Occupancy by a member of a fraternal or social organization in the portion of a structure operated for the benefit of the organization.
4. Transient occupancy in a hotel, motel or recreational lodging.
5. Occupancy by an employee of a landlord as a manager or custodian whose right to occupancy is conditional upon employment in and about the premises.
6. Occupancy by an owner of a condominium unit or a holder of a proprietary lease in a cooperative.
7. Occupancy in or operation of public housing as authorized, provided or conducted under or pursuant to title 36, chapter 12, or under or pursuant to any federal law or regulation.

### **33-1309. Jurisdiction and service of process**

**A.** The appropriate court of this state may exercise jurisdiction over any landlord with respect to any conduct in this state governed by this chapter or with respect to any claim arising from a transaction subject to this chapter. In addition to any other method provided

by rule or by statute, personal jurisdiction over a landlord may be acquired in a civil action or proceeding instituted in the appropriate court by the service of process in the manner provided by this section.

**B.** If a landlord is not a resident of this state or is a corporation not authorized to do business in this state and engages in any conduct in this state governed by this chapter, or engages in a transaction subject to this chapter, he may designate an agent upon whom service of process may be made in this state. The agent shall be a resident of this state or a corporation authorized to do business in this state. The designation shall be in writing and filed with the secretary of state. If no designation is made and filed or if process cannot be served in this state upon the designated agent, process may be served upon the secretary of state, but the plaintiff or petitioner shall forthwith mail a copy of the process and pleading by registered or certified mail to the defendant or respondent at his last reasonably ascertained address. In the event there is no last reasonably ascertainable address and if the defendant or respondent has not complied with section 33-1322, subsections A and B, then service upon the secretary of state shall be sufficient service of process without the mailing of copies to the defendant or respondent. Service of process shall be deemed complete and the time shall begin to run for the purposes of this section at the time of service upon the secretary of state. The defendant shall appear and answer within thirty days after completion thereof in the manner and under the same penalty as if he had been personally served with the summons. An affidavit of compliance with this section shall be filed with the clerk of the court on or before the return day of the process, if any, or within any further time the court allows. Where applicable, the affidavit shall contain a statement that defendant or respondent has not complied with section 33-1322, subsections A and B.

### **33-1310. General definitions**

Subject to additional definitions contained in subsequent articles of this chapter which apply to specific articles thereof, and unless the context otherwise requires, in this chapter:

1. "Action" includes recoupment, counterclaim, setoff, suit in equity and any other proceeding in which rights are determined, including an action for possession.
2. "Building and housing codes" include any law, ordinance or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy, use or appearance of any premises, or dwelling unit.
3. "Delivery of possession" means returning dwelling unit keys to the landlord and vacating the premises.
4. "Dwelling unit" means a structure or the part of a structure that is used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household. "Dwelling unit" excludes real property used

to accommodate a mobile home, unless the mobile home is rented or leased by the landlord.

5. “Good faith” means honesty in fact in the conduct or transaction concerned.

6. “Landlord” means the owner, lessor or sublessor of the dwelling unit or the building of which it is a part, and it also means a manager of the premises who fails to disclose as required by section 33-1322.

7. “Organization” includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest and any other legal or commercial entity which is a landlord, owner, manager or constructive agent pursuant to section 33-1322.

8. “Owner” means one or more persons, jointly or severally, in whom is vested all or part of the legal title to property or all or part of the beneficial ownership and a right to present use and enjoyment of the premises. The term includes a mortgagee in possession.

9. “Person” means an individual or organization.

10. “Premises” means a dwelling unit and the structure of which it is a part and existing facilities and appurtenances therein, including furniture and utilities where applicable, and grounds, areas and existing facilities held out for the use of tenants generally or whose use is promised to the tenant.

11. “Rent” means payments to be made to the landlord in full consideration for the rented premises.

12. “Rental agreement” means all agreements, written, oral or implied by law, and valid rules and regulations adopted under section 33-1342 embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises.

13. “Roomer” means a person occupying a dwelling unit that lacks a major bathroom or kitchen facility, in a structure where one or more major facilities are used in common by occupants of the dwelling unit and other dwelling units. Major facility in the case of a bathroom means toilet, or either a bath or shower, and in the case of a kitchen means refrigerator, stove or sink.

14. “Security” means money or property given to assure payment or performance under a rental agreement. “Security” does not include a reasonable charge for redecorating or cleaning.

15. “Single family residence” means a structure maintained and used as a single dwelling unit. Notwithstanding that a dwelling unit shares one or more walls with another dwelling

unit, it is a single family residence if it has direct access to a street or thoroughfare and shares neither heating facilities, hot water equipment nor any other essential facility or service with any other dwelling unit.

16. “Tenant” means a person entitled under a rental agreement to occupy a dwelling unit to the exclusion of others.

17. “Term of lease” means the initial term or any renewal or extension of the written rental agreement currently in effect not including any wrongful holdover period.

### **33-1311. Obligation of good faith**

Every duty under this chapter and every act which must be performed as a condition precedent to the exercise of a right or remedy under this chapter imposes an obligation of good faith in its performance or enforcement.

### **33-1312. Unconscionability**

**A.** If the court, as a matter of law, finds either of the following:

1. A rental agreement or any provision thereof was unconscionable when made, the court may refuse to enforce the agreement, enforce the remainder of the agreement without the unconscionable provision, or limit the application of any unconscionable provision to avoid an unconscionable result.

2. A settlement in which a party waives or agrees to forego a claim or right under this chapter or under a rental agreement was unconscionable at the time it was made, the court may refuse to enforce the settlement, enforce the remainder of the settlement without the unconscionable provision, or limit the application of any unconscionable provision to avoid any unconscionable result.

**B.** If unconscionability is put into issue by a party or by the court upon its own motion the parties shall be afforded a reasonable opportunity to present evidence as to the setting, purpose and effect of the rental agreement or settlement to aid the court in making the determination.

### **33-1313. Notice**

**A.** A person has notice of a fact if he has actual knowledge of it, has received a notice or notification of it or from all the facts and circumstances known to him at the time in question he has reason to know that it exists. A person “knows” or “has knowledge” of a fact if he has actual knowledge of it.

**B.** A person “notifies” or “gives” a notice or notification to another by taking steps reasonably calculated to inform the other in ordinary course whether or not the other

actually comes to know of it. A person “receives” a notice or notification when it comes to his attention, or in the case of the landlord, it is delivered in hand or mailed by registered or certified mail to the place of business of the landlord through which the rental agreement was made or at any place held out by him as the place for receipt of the communication or delivered to any individual who is designated as an agent by section 33-1322 or, in the case of the tenant, it is delivered in hand to the tenant or mailed by registered or certified mail to him at the place held out by him as the place for receipt of the communication or, in the absence of such designation, to his last known place of residence. If notice is mailed by registered or certified mail, the tenant or landlord is deemed to have received such notice on the date the notice is actually received by him or five days after the date the notice is mailed, whichever occurs first.

**C.** “Notice,” knowledge or a notice or notification received by an organization is effective for a particular transaction from the time it is brought to the attention of the individual conducting the transaction and in any event from the time it would have been brought to his attention if the organization had exercised reasonable diligence.

### **33-1314. Terms and conditions of rental agreement**

**A.** The landlord and tenant may include in a rental agreement terms and conditions not prohibited by this chapter or any other rule of law including rent, term of the agreement and other provisions governing the rights and obligations of the parties.

**B.** In the absence of a rental agreement, the tenant shall pay as rent the fair rental value for the use and occupancy of the dwelling unit.

**C.** Rent shall be payable without demand or notice at the time and place agreed upon by the parties. Unless otherwise agreed, rent is payable at the dwelling unit and periodic rent is payable at the beginning of any term of one month or less and otherwise in equal monthly installments at the beginning of each month. Unless otherwise agreed, rent shall be uniformly apportionable from day-to-day.

**D.** Unless the rental agreement fixes a definite term, the tenancy shall be week-to-week in case of a roomer who pays weekly rent, and in all other cases month-to-month.

**E.** If a municipality that levies a transaction privilege tax on residential rent changes the percentage of that tax, the landlord on thirty day written notice to the tenant may adjust the amount of rent due to equal the difference caused by new percentage amount of tax. The adjustment to rent shall not occur before the date upon which the new tax is effective. In order for a landlord to adjust rent pursuant to this subsection, the landlord’s right to adjust rent pursuant to this subsection shall be disclosed in the rental agreement.

### **33-1314.01. Utility charges; submetering; ratio utility billing; allocation; water system exemption**

**A.** A landlord may charge separately for gas, water, wastewater, solid waste removal or electricity by installing a submetering system or by allocating the charges separately through a ratio utility billing system.

**B.** If a landlord charges separately for a utility pursuant to subsection A, the landlord may recover the charges imposed on the landlord by the utility provider plus an administrative fee for the landlord for actual administrative costs only. The landlord shall not impose any additional charges. The rental agreement shall contain a disclosure that lists the utility services that are charged separately and shall specify the amount of any administrative fee that is associated with submetering or the use of a ratio utility billing system.

**C.** If provided in the rental agreement, the landlord may impose a submetering system or ratio utility billing system during the term of a rental agreement if the landlord provides notice as prescribed by subsection G.

**D.** If a landlord is not in compliance with subsection B, the tenant shall first object in writing to the landlord regarding the utility billing. If the dispute is not resolved, the tenant may file a civil complaint in justice court to enforce this section.

**E.** If a landlord uses an allocation or submetering system, the bill format for each billing period shall:

1. Separately state the cost of the charges for the period together with the opening and the closing meter readings and the dates of the meter readings.

2. Show the amount of any administrative fee charged.

**F.** If a landlord does not use a submetering system and allocates charges separately for gas, water, wastewater, solid waste removal or electricity, the landlord may allocate the costs to each tenant by using one or more of the following ratio utility billing system methods:

1. Per tenant.

2. Proportionately by livable square footage.

3. Per type of unit.

4. Per number of water fixtures.

5. For water and wastewater, by use of an individually submetered hot water usage measure for the tenant's dwelling unit.

6. Any other method that fairly allocates the charges and that is described in the tenant's rental agreement.

**G.** If a landlord uses a ratio utility billing system method pursuant to subsection F, the rental agreement shall contain a specific description of the ratio utility billing method used to allocate utility costs. For any existing tenancies, the landlord shall provide at least ninety days' notice to the tenant before the landlord begins using a submetering system or allocating costs through a ratio utility billing system.

**H.** For purposes of regulating apartment communities as public or consecutive water systems, the department of environmental quality shall not adopt rules pursuant to title 49, chapter 2, article 9 that are more stringent than those authorized by federal law. Without other evidence of activities that are subject to regulation under title 49, chapter 2, article 9, the department of environmental quality shall not use an apartment community's use of a submetering system or a ratio utility billing system as the sole basis for regulating an apartment community as a public or consecutive water system.

### **33-1315. Prohibited provisions in rental agreements**

**A.** A rental agreement shall not provide that the tenant does any of the following:

1. Agrees to waive or to forego rights or remedies under this chapter.
2. Agrees to pay the landlord's attorney fees, except an agreement in writing may provide that attorney fees may be awarded to the prevailing party in the event of court action and except that a prevailing party in a contested forcible detainer action is eligible to be awarded attorney fees pursuant to section 12-341.01 regardless of whether the rental agreement provides for such an award.
3. Agrees to the exculpation or limitation of any liability of the landlord arising under law or to indemnify the landlord for that liability or the costs connected therewith.
4. Agrees to waive or limit the tenant's right to summon a peace officer or other emergency assistance in response to domestic violence as defined in section 13-3601 or 13-3601.02.
5. Agrees to payment of monetary or other penalties for summoning a peace officer or other emergency assistance in response to domestic violence as defined in section 13-3601 or 13-3601.02.

**B.** A provision prohibited by subsection A of this section included in a rental agreement is unenforceable. If a landlord deliberately uses a rental agreement containing provisions known by him to be prohibited, the tenant may recover actual damages sustained by him and not more than two months' periodic rent.

**33-1316. Separation of rents and obligations to maintain property forbidden**

A rental agreement, assignment, conveyance, trust deed or security instrument may not permit the receipt of rent free of the obligation to comply with section 33-1324, subsection A.

**33-1317. Discrimination by landlord or lessor against tenant with children prohibited; classification; exceptions; civil remedy; applicability**

**A.** A person who knowingly refuses to rent to any other person a place to be used for a dwelling for the reason that the other person has a child or children, or who advertises in connection with the rental a restriction against children, either by the display of a sign, placard or written or printed notice, or by publication thereof in a newspaper of general circulation, is guilty of a petty offense.

**B.** No person shall rent or lease his property to another in violation of a valid restrictive covenant against the sale of such property to persons who have a child or children living with them.

**C.** No person shall rent or lease his property to persons who have a child or children living with them when his property meets the definition of housing for older persons in section 41-1491.04.

**D.** A person who knowingly rents or leases his property in violation of the provisions of subsection B or C of this section is guilty of a petty offense.

**E.** A person whose rights under this section have been violated may bring a civil action against a person who violates this section for all of the following:

1. Injunctive or declaratory relief to correct the violation.
2. Actual damages sustained by the tenant or prospective tenant.
3. A civil penalty of three times the monthly rent of the housing accommodation involved in the violation if the violation is determined to be intentional.
4. Court costs and reasonable attorney fees.

**F.** Nothing in this section shall prohibit a person from refusing to rent a dwelling by reason of reasonable occupancy standards established by the owner or the owner's agent which apply to persons of all ages, and which have been adopted and published before the event in issue. An occupancy limitation of two persons per bedroom residing in a dwelling unit shall be presumed reasonable for this state and all political subdivisions of this state.

**G.** Subsection B of this section applies only to dwellings occupied or intended to be occupied by no more than four families living independently of each other and in which the owner maintains and occupies one of the living quarters as the owner's residence.

## **ARTICLE 2. LANDLORD OBLIGATIONS**

### **33-1321. Security deposits**

**A.** A landlord shall not demand or receive security, however denominated, including, but not limited to, prepaid rent in an amount or value in excess of one and one-half month's rent. This subsection does not prohibit a tenant from voluntarily paying more than one and one-half month's rent in advance.

**B.** The purpose of all nonrefundable fees or deposits shall be stated in writing by the landlord. Any fee or deposit not designated as nonrefundable shall be refundable.

**C.** With respect to tenants who first occupy the premises or enter into a new written rental agreement after January 1, 1996, upon move in a landlord shall furnish the tenant with a signed copy of the lease, a move-in form for specifying any existing damages to the dwelling unit and written notification to the tenant that the tenant may be present at the move-out inspection. Upon request by the tenant, the landlord shall notify the tenant when the landlord's move-out inspection will occur. If the tenant is being evicted for a material and irreparable breach and the landlord has reasonable cause to fear violence or intimidation on the part of the tenant, the landlord has no obligation to conduct a joint move-out inspection with the tenant.

**D.** Upon termination of the tenancy, property or money held by the landlord as prepaid rent and security may be applied to the payment of all rent, and subject to a landlord's duty to mitigate, all charges as specified in the signed lease agreement, or as provided in this chapter, including the amount of damages which the landlord has suffered by reason of the tenant's noncompliance with section 33-1341. Within fourteen days, excluding Saturdays, Sundays or other legal holidays, after termination of the tenancy and delivery of possession and demand by the tenant the landlord shall provide the tenant an itemized list of all deductions together with the amount due and payable to the tenant, if any. Unless other arrangements are made in writing by the tenant, the landlord shall mail, by regular mail, to the tenant's last known place of residence.

**E.** If the landlord fails to comply with subsection D of this section the tenant may recover the property and money due the tenant together with damages in an amount equal to twice the amount wrongfully withheld.

**F.** This section does not preclude the landlord or tenant from recovering other damages to which the landlord or tenant may be entitled under this chapter.

**G.** The holder of the landlord's interest in the premises at the time of the termination of the tenancy is bound by this section.

### **33-1322. Disclosure and tender of written rental agreement**

**A.** The landlord or any person authorized to enter into a rental agreement on his behalf shall disclose to the tenant in writing at or before the commencement of the tenancy the name and address of each of the following:

1. The person authorized to manage the premises.
2. An owner of the premises or a person authorized to act for and on behalf of the owner for the purpose of service of process and for the purpose of receiving and receipting for notices and demands.

**B.** At or before the commencement of the tenancy, the landlord shall inform the tenant in writing that a free copy of the Arizona residential landlord and tenant act is available through the Arizona secretary of state's office.

**C.** The information required to be furnished by this section shall be kept current and refurnished to tenant upon tenant's request. This section extends to and is enforceable against any successor landlord, owner or manager.

**D.** A person who fails to comply with subsections A and B becomes an agent of each person who is a landlord for the following purposes:

1. Service of process and receiving and receipting for notices and demands.
2. Performing the obligations of the landlord under this chapter and under the rental agreement and expending or making available for the purpose all rent collected from the premises.

**E.** If there is a written rental agreement, the landlord must tender and deliver a signed copy of the rental agreement to the tenant and the tenant must sign and deliver to the landlord one fully executed copy of such rental agreement within a reasonable time after the agreement is executed. A written rental agreement shall have all blank spaces completed. Noncompliance with this subsection shall be deemed a material noncompliance by the landlord or the tenant, as the case may be, of the rental agreement.

### **33-1323. Landlord to supply possession of dwelling unit**

At the commencement of the term the landlord shall deliver possession of the premises to the tenant in compliance with the rental agreement and section 33-1324. The landlord may bring an action for possession against any person wrongfully in possession and may recover the damages provided in section 33-1375, subsection C.

### **33-1324. Landlord to maintain fit premises**

**A.** The landlord shall:

1. Comply with the requirements of applicable building codes materially affecting health and safety.
2. Make all repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition.
3. Keep all common areas of the premises in a clean and safe condition.
4. Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances, including elevators, supplied or required to be supplied by him.
5. Provide and maintain appropriate receptacles and conveniences for the removal of ashes, garbage, rubbish and other waste incidental to the occupancy of the dwelling unit and arrange for their removal.
6. Supply running water and reasonable amounts of hot water at all times, reasonable heat and reasonable air-conditioning or cooling where such units are installed and offered, when required by seasonal weather conditions, except where the building that includes the dwelling unit is not required by law to be equipped for that purpose or the dwelling unit is so constructed that heat, air-conditioning, cooling or hot water is generated by an installation within the exclusive control of the tenant and supplied by a direct public utility connection.

**B.** If the duty imposed by subsection A, paragraph 1 of this section is greater than any duty imposed by any other paragraph of this section, the landlord's duty shall be determined by reference to that paragraph.

**C.** The landlord and tenant of a single family residence may agree in writing, supported by adequate consideration, that the tenant perform the landlord's duties specified in subsection A, paragraphs 5 and 6 of this section, and also specified repairs, maintenance tasks, alterations and remodeling, but only if the transaction is entered into in good faith,

not for the purpose of evading the obligations of the landlord and the work is not necessary to cure noncompliance with subsection A, paragraphs 1 and 2 of this section.

**D.** The landlord and tenant of any dwelling unit other than a single family residence may agree that the tenant is to perform specified repairs, maintenance tasks, alterations or remodeling only if:

1. The agreement of the parties is entered into in good faith and not for the purpose of evading the obligations of the landlord and is set forth in a separate writing signed by the parties and supported by adequate consideration.

2. The work is not necessary to cure noncompliance with subsection A, paragraphs 1 and 2 of this section.

3. The agreement does not diminish or affect the obligation of the landlord to other tenants in the premises.

### **33-1325. Limitation of liability**

**A.** Unless otherwise agreed, a landlord, who conveys premises that include a dwelling unit subject to a rental agreement in a good faith sale to a bona fide purchaser, is relieved of liability under the rental agreement and this chapter as to events occurring subsequent to written notice to the tenant of the conveyance. He remains liable to the tenant for any property and money to which the tenant is entitled under section 33-1321.

**B.** Unless otherwise agreed, a manager of premises that include a dwelling unit is relieved of liability under the rental agreement and this chapter as to events occurring after written notice to the tenant of the termination of his management.

### **33-1329. Regulation of rents; authority**

**A.** Notwithstanding any other provisions of law to the contrary the state legislature determines that the imposition of rent control on private residential housing units by cities, including charter cities, and towns is of statewide concern. Therefore, the power to control rents on private residential property is preempted by the state. Cities, including charter cities, or towns shall not have the power to control rents.

**B.** The provisions of subsection A shall not apply to residential property which is owned, financed, insured or subsidized by any state agency, or by any city, including charter city, or town.

## **ARTICLE 3. TENANT OBLIGATIONS**

### **33-1341. Tenant to maintain dwelling unit**

The tenant shall:

1. Comply with all obligations primarily imposed upon tenants by applicable provisions of building codes materially affecting health and safety.
2. Keep that part of the premises that he occupies and uses as clean and safe as the condition of the premises permit.
3. Dispose from his dwelling unit all ashes, rubbish, garbage and other waste in a clean and safe manner.
4. Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits.
5. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances including elevators in the premises.
6. Not deliberately or negligently destroy, deface, damage, impair or remove any part of the premises or knowingly permit any person to do so.
7. Conduct himself and require other persons on the premises with his consent to conduct themselves in a manner that will not disturb his neighbors' peaceful enjoyment of the premises.

### **33-1342. Rules and regulations**

**A.** A landlord, from time to time, may adopt rules or regulations, however described, concerning the tenant's use and occupancy of the premises. Such rules or regulations are enforceable against the tenant only if:

1. Their purpose is to promote the convenience, safety or welfare of the tenants in the premises, preserve the landlord's property from abusive use or make a fair distribution of services and facilities held out for the tenants generally.
2. They are reasonably related to the purpose for which adopted.
3. They apply to all tenants in the premises in a fair manner.
4. They are sufficiently explicit in prohibition, direction or limitation of the tenant's conduct to fairly inform the tenant of what the tenant must or must not do to comply.

5. They are not for the purpose of evading the obligations of the landlord.
  6. The tenant has notice of them at the time the tenant enters into the rental agreement.
- B.** A rule or regulation adopted after the tenant enters into the rental agreement is enforceable against the tenant if a thirty day notice of its adoption is given to the tenant.

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3. Dispose from his dwelling unit all ashes, rubbish, garbage and other waste in a clean and safe manner.
4. Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits.
5. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other facilities and appliances including elevators in the premises.
6. Not deliberately or negligently destroy, deface, damage, impair or remove any part of the premises or knowingly permit any person to do so.

7. Conduct himself and require other persons on the premises with his consent to conduct themselves in a manner that will not disturb his neighbors' peaceful enjoyment of the premises.

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2. They are reasonably related to the purpose for which adopted.
3. They apply to all tenants in the premises in a fair manner.
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5. They are not for the purpose of evading the obligations of the landlord.
6. The tenant has notice of them at the time the tenant enters into the rental agreement.

**B.** A rule or regulation adopted after the tenant enters into the rental agreement is enforceable against the tenant if a thirty day notice of its adoption is given to the tenant.

